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ABSTRACT

This manual provides a framework for accounting practices, budgeting and reporting procedures for Tennessee public higher education institutions. Emphasis is placed on principles and procedures of accounting and financial reporting; the balance sheet; statement of changes in fund balances; statement of current funds revenues, expenditures, and transfers; accounting and reporting procedures for fund groups, auxiliary enterprises, organized educational activities, and service departments; object codes; and reporting. Appendices include illustrative forms for annual financial reports and budget recapitulation schedules. (MJM)

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FINANCIAL REPORTING FOR TENNESSEE

PUBLIC COLLEGES AND UNIVERSITIES

DEPARTMENT OF FINANCE AND ADMINISTRATION

COMPTROLLER OF THE TREASURY

TENNESSEE HIGHER EDUCATION COMMISSION

FOREWORD

This manual has been developed in response to a need for comparable financial data among Tennessee public higher education institutions. State agencies, universities, colleges, and governing boards participated in the formulation and development of these policies, procedures, and guidelines. The three state agencies directly responsible for this material are: The Department of Finance and Administration, Comptroller of the Treasury, and the Higher Education Commission. A Steering Committee composed of personnel from each of these agencies consulted freely with university and college personnel and staff members from the governing boards. The basic principles, procedures, and guidelines are found in College and University Business Administration, 1968, published by the American Council on Education.

Mr. Morris Bass, Director of Accounting at Memphis State University, was employed as a consultant in preparation of this manual and was the primary source for technical assistance. Dr. Jerry H. Rust, Jr., Associate Director for Fiscal Affairs, Tennessee Higher Education Commission, served as a member of the Steering Committee and as Director of the project, and was responsible for coordinating the activities of all participating agencies. Mr. Jerry Adams, Deputy Commissioner, Department of Finance and Administration, and Mr. Ralph Fawver, Supervisor of Medical Costs and Audit, Comptroller of the Treasury, served as representatives from their departments and as members of the Steering Committee and actively participated in the preparation of the material. Mr. Denton Mayo was Assistant to the Director and contributed technical advice and coordinating assistance. Mrs. Linda Davenport was secretary to the Steering Committee and was coordinator for all clerical and printing activities.

Included in this document are issues which will be reviewed on a continuing basis, such as accounting practices, budgeting and reporting procedures. Specifically, this review may lead to a conformity of reporting in areas such as: Intercollegiate athletics, recording of debt service fees, recording of student activities fees, etc. For the current year and until changed by this committee, all fees received from students should be budgeted either on Schedule 3-Current Fund Revenues or Schedule 6-Other Student Charges. Their fees and/or charges should be reported after the fact on Form 13 either as a part of the schedule, Current Fund Revenues, or as an addendum to Form 13.

The manual provides a framework within which each institution must prepare budgets for its financial activities and accounting reports for these activities which will be comparable and will be applied consistently. Properly implemented it should contribute to the financial administration of public higher education in Tennessee. The information provided by this resource material is sufficiently broad in both scope and detail to offer the reporting institution or system a choice where the selection of choice does not impair comparability of the data. The use of this material at the state level should further guarantee each institution a more objective evaluation of its financial needs.

Department of Finance and Administration

Comptroller of the Treasury

Tennessee Higher Education Commission

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CHAPTER I

INTRODUCTION

Comparable financial reporting, consistent from year to year, is a necessity for the effective evaluation of financial requirements for public higher education institutions in Tennessee. Currently, institutional budgeting and reporting is an effort to report accurately and fully on the financial plans and actual financial condition of each institution. Institutions normally prepare a budget of current unrestricted funds and auxiliary funds in the spring and submit year-end reports for all funds to their governing boards and state agencies after the close of the fiscal year. They have been allowed some latitude in their reporting requirements and as a result the financial data developed in one institution are not always comparable with that in other institutions. An example of such variation is the reporting of revenue. Another variation that currently prohibits comparability is the reporting of certain expenditures either as object or function expenditures. Examples of this are staff benefits and college work study expenditures which may be recorded either as object or function expenditures. The need for comparable data has been recognized by the institutions, their governing boards, and state agencies, including the Department of Finance and Administration, Comptroller of the Treasury, and the Higher Education Commission. This manual has been prepared to obtain comparable budgets, year-end and other financial reports which will be consistent in presentation from year to year.

Institutions are not exactly alike and each has developed its programs and administration to fit local and current conditions. Requirements outlined herein recognize this and permit functional detailed reporting to differ between institutions; however, reports submitted to the Comptroller of the Treasury, Department of Finance and Administration, and the Higher Education Commission must follow this manual.

When budgets are submitted to the governing board (April or May), each institution will submit, as a part of its budget or as a supplementary report, the following data: (1) Summary of Current Funds Available and Applied; (2) Schedule of Unrestricted Fund Balances at the Beginning of the Fiscal Period (July 1); (3) Current Fund Revenues; (4) Current Fund Expenditures; and (5) Schedule of Unrestricted Fund Balances at the End of the Fiscal Period (June 30). Each report will present information for the following periods: Past Year Actual, Current Year Original Budget, Current Year Estimates As of This Date, and Next Year Estimates. Each institution will submit a follow-up report of the above statements as of October 31.

For the first fiscal year (1970-1971) budgets will be required for the following fund groups: Current Funds - Unrestricted, Restricted, and Auxiliary Funds. Budgets required after the year 1970-1971 will include a projection of estimated additions and deductions to Plant Funds including the Unexpended Plant Fund and Retirement of Indebtedness and Renewals and Replacements Fund.

Many institutions are currently submitting a year-end financial report which gives comparable data to that reflected in the budget and also comparable among institutions; however, some institutions may be required to alter their

reporting methods for historical data on all fund transactions. This manual follows basically the principles, procedures, and forms for annual financial reports as found in College and University Business Administration. A more complete discussion of budgeting requirements and annual reports is found in Chapter IX.

A common chart of accounts for all institutions has not been prepared as a part of this manual, as each institution or governing board may desire to go into differing amounts of detail. A common financial report can be accomplished where basic financial data is recorded and sufficient definitions are given for compiling the requested information. Essential for comparability are: Funds to be budgeted and reported; the same functional classifications within each college or university, and well defined object expenditures.

Chapter II of the manual concerns principles and procedures of financial reporting and contains basically those requirements stated by the American Council on Education in their book, College and University Business Administration, 1968 edition. Chapters III, IV, and V discuss the fund reporting required at the end of the fiscal period. Chapter VI is a brief discussion of those principles and procedures to be used in accounting and reporting for fund groups. Chapter VII concerns the management of and accounting and reporting for auxiliary enterprises, organized educational activities and service departments. Chapter VIII identifies those object expenditures required for both budgetary and year-end reporting. Chapter IX is a detailed discussion of those budgets to be submitted and annual financial reports. Formats are presented to illustrate each budget schedule and each financial report. Also, in Chapter IX is a discussion of specific points which require interpretation and clarification to assure uniform treatment.

This manual results from the joint efforts of the Comptroller of the Treasury, the Department of Finance and Administration, and the Higher Education Commission. Any questions or exceptions to the requirements of this manual should be referred to the Higher Education Commission for interpretation. Any exceptions must be approved by the three state agencies. All questions and exceptions will be circulated to the other offices, replies coordinated and then released to all institutions by the Higher Education Commission. These replies should be filed with each copy of the manual since they will form an important part of its contents.

Appreciation and gratitude are expressed to the American Council on Education for the use of text material taken from College and University Business Administration. The following letter was received from the Council:

January 26, 1970

Dear Dr. Rust:

This is to grant permission for the Tennessee Higher Education Commission to use material from College and University Business Administration in its development of budgetary and financial reporting procedures for Tennessee public higher education institutions. It is understood that you will acknowledge the use of the material, indicate that it is copyrighted and used by permission. We would appreciate receiving a copy of the finished product.

Sincerely,
Robert Quick
Director of Publications

The following chapters were cited frequently in preparing this manual:

CHAPTER XIII - AUXILIARY ENTERPRISES, ORGANIZED ACTIVITIES, AND SERVICE DEPARTMENTS

CHAPTER XIV - PRINCIPLES AND PROCEDURES FOR ACCOUNTING AND FINANCIAL REPORTING

CHAPTER XVII - THE BALANCE SHEET

CHAPTER XVIII - THE STATEMENT OF CHANGES IN FUND BALANCES

CHAPTER XIX - THE STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND TRANSFERS

CHAPTER XX - ACCOUNTING AND REPORTING PROCEDURES FOR FUND GROUPS

Also used, with some modifications, are Illustrative Forms including Primary Statements and Supporting Statements found in Appendix B.

Special appreciation is expressed to Mr. Morris Bass, Director of Accounting at Memphis State University, for his time, effort, and technical ability. Special appreciation also to Memphis State University for making Mr. Bass' time available for the study. The following agencies deserve appreciation for their participation and support of the study:

Institutional Representatives of all Tennessee Public Higher Education Institutions

Staff Members of the Division of Higher Education of the State Board of Education

Members of the Central Administrative Staff of The University of Tennessee

John K. Folger
Executive Director
Tennessee Higher Education Commission

William R. Snodgrass
Comptroller
Comptroller of the Treasury

Harlan Mathews
Commissioner
Department of Finance and Administration

CHAPTER II

PRINCIPLES AND PROCEDURES OF ACCOUNTING AND FINANCIAL REPORTING

Accounting in colleges and universities is the means by which financial data are made available to the controlling bodies, executive officers responsible for efficient administration, and the public. Institutions are in the nature of public trusts. Thus, the inherent obligations for stewardship and accountability necessitate a system of accounts and reports that will ensure full disclosure of the results of their operations and of their financial position.

The development of the accounting system should be governed by the form and character that the financial data need take in order to promote effective administration and provide information needed by other authoritative agencies. However, certain principles of classification and presentation of accounting data as well as a standard terminology for institutions of higher education have come to be accepted, and Tennessee public colleges and universities should maintain their accounts and present their financial reports accordingly. Conformance facilitates internal administration, public understanding, and comparisons with other institutions. Since service, rather than profit, is the primary objective of educational institutions, the principles for accounting differ from those of commercial enterprises. In commercial accounting, the emphasis is on determining net profit and net worth. In institutional accounting, although these financial objectives do not exist, a knowledge of costs is essential for decision-making purposes and for effective management and control.

The financial resources of educational institutions come from (1) revenues that may be used for general institutional operations; (2) unrestricted gifts and bequests; (3) gifts, bequests, grants, and governmental appropriations that may be used only for specified purposes; (4) gifts, grants, and bequests that must be kept intact and invested, the income only being available for expenditure or use in accordance with the terms of the instruments of gift or grant; and (5) proceeds from borrowings. Financial records and reports must, therefore, deal not only with current funds revenues and expenditures, but also with the receipt and disbursement of funds whose use is restricted and with accounts for the principal or balances of funds. The accounts should be arranged and classified so that funds having like characteristics and restrictions will be reported in appropriate fund groups.

Government agencies that establish requirements for accounting and reporting should consider carefully the effect such requirements may have on institutional financial records and reports. Even though the institutions are instrumentalities of the state government, their activities are vastly different from those of other state agencies such as the highway and welfare departments; consequently, their system of accounts and reports must be specifically adapted to the functions, purposes, and objectives of educational institutions. Institutional accounts should be coordinated with the accounting system of the controlling unit of government, but they should correspond to those of other educational institutions. In no other way can the accounts serve fully the purposes they should serve, or report the financial facts of the institutions adequately and properly.

The recommendations in this manual presuppose the existence of a system of accounting adequate to record, classify, and summarize all financial transactions, and to produce reports of operations and fund transactions and of assets, liabilities, and balances by fund group. The financial reports should summarize and be consistent with the information produced in the accounting records.

To meet the requirements of financial accounting and reporting for Tennessee public colleges and universities, the following basic principles are recognized:

1. The accounts should be classified in balanced fund groups in the books of account and in the financial reports.

In accounting and reporting for educational institutions, a fund is an accounting entity involving assets, liabilities, revenues and expenditures, receipts and disbursements, and a balance. A fund is established to carry on specific activities or attain certain objectives in the operation of an institution, either at the discretion of the governing board or in accordance with regulations, restrictions, or limitations imposed by sources outside the institution. In order to ensure observance of limitations and restrictions placed on use, a separate account must be maintained for the balance of each fund, and must reflect the results of its transactions or operations. For reporting purposes, funds subject to similar restrictions, or available for like purposes, should be assigned to a fund group, and each fund group should be treated as a separately balanced entity. The fund groups to be used are:

Current Funds
Loan Funds
Endowment and Similar Funds
Life Income Funds
Plant Funds
Agency Funds

2. All financial transactions should be recorded and reported by fund group.

The transactions within the various fund groups should be kept separate and not intermingled. Those receipts that are specified by donors, governmental agencies, or other outside sources to be added to loan, endowment, life income, or plant funds should be recorded directly in the accounts of the appropriate fund group. In like manner, disbursements of such funds should also be recorded in the accounts of the respective fund groups. Funds restricted to use for operating purposes and all funds unrestricted by donors should be recorded as additions to the Current Funds group.

The Balance Sheet of an institution is a listing of the assets, liabilities, and fund balances of the separately balanced fund groups. The changes in fund balances from one Balance Sheet to the next should be presented in the respective Statement of Changes in Fund Balances. The revenues and expenditures of only the Current Funds group should be reported in the Statement of Current Funds Revenues, Expenditures, and Transfers.

3. The Current Funds group consists of funds available for current operations, including those for restricted as well as those for unrestricted purposes.

In the Current Funds group, the balances of unrestricted funds, restricted funds, and of auxiliary enterprises funds must appear separately, even though the assets may be combined.

4. The Loan Funds group consists of funds which are loanable to students, faculty, and staff.

Funds that are to be invested and only the income used for loans are endowment funds, and should be included in that fund group. Their income should be transferred periodically to the loan funds group.

The identity of various types of loan funds should be shown separately in the accounts and reports. Examples are: appropriations from governments to be used for loans to students, loan funds which may be refundable to donors under various conditions, and unrestricted current funds designated by action of the governing board to be used as loan funds.

Receipts of the Loan Funds group and the granting and repayment of loans are not transactions of the Current Funds group and should not be included in the Statement of Current Funds Revenues, Expenditures, and Transfers.

5. The Endowment and Similar Funds group includes those funds whose principal is nonexpendable as of the date of reporting and is invested, or is available for investment, for the purpose of producing income.

The following types of funds are included in this group; (a) endowment funds: funds which donors have stipulated, as a condition of gift, that the principal is to be maintained inviolate and in perpetuity, with only the income from the investments available to be expended; (b) term endowment funds: funds which donors or other outside agencies, by the terms of the instruments of gift, have provided are to be released from inviolability to permit all or part of them to be expended upon the happening of a particular event or the passage of a stated period of time; and (c) quasi-endowment funds: funds which the governing board of an institution, rather than a donor or other outside agency, has determined are to be retained and invested. The term funds functioning as endowment may also be used to designate this type of fund.

Gifts, bequests, contributions, grants, and other receipts of funds in this group, and their transfers, charges, and other forms of reductions of principal or balances should be presented in the Statement of Changes in Fund Balances-Endowment and Similar Funds; they should not be reported in the Statement of Current Funds Revenues, Expenditures, and Transfers.

a) The balances of Endowment and Term Endowment Funds should be shown separately from the balances of Quasi-Endowment Funds in the equity section of the Balance Sheet.

b) The funds may be classified further to show those for which the income is unrestricted in use, and those for which the income is restricted by donors to specific uses.

c) The funds in the Endowment and Similar Funds group may be pooled for effective investment management unless prohibited either by statute or by the terms of the instruments of gift. It is preferable not to merge assets of Life Income Funds, unloaned balances of Loan Funds, and unexpended balances of Current, Plant, and Agency Funds groups with Endowment and Similar Funds in the investment pool.

d) If the assets of the funds in this group are pooled for investment purposes, only one control account need be maintained to reflect book values for each class of investments in the pool. For report purposes, the assets may be shown together in appropriate classes of investments, whether or not the investments are pooled.

e) The operation of an investment pool necessitates adopting procedures that will provide for the equitable distribution of income and the assignment of capital appreciation to all funds participating in the pool. The market-value method is preferable to the book-value method in the operation of investment pools.

f) In the event other funds are admitted for investment purposes to the endowment pool, special attention must be given to the accounting arrangements for admittance to and withdrawal from the pool to preclude crediting such funds with investment income and realized, or unrealized, net gains properly attributable to the permanently invested funds.

g) Pooled investment income should be distributed to the income accounts of the participating funds without consideration of the gain or loss account, in order to prevent dilution of the proper share of the various funds in the aggregate investment income of the pool.

h) Realized gains and losses on investment transactions affect the principal of the invested funds either (1) by increasing or decreasing the individual fund balances or (2) by retaining as an undistributed accumulation the balances that are proportionately applicable to each fund. Such capital gains and losses are not operating revenues and expenditures, and should not be treated differently from the amounts representing the original fund balances. They are subject to the same restrictions and limitations on investment, expenditure, and disposition as the funds from which they arose. In some instances, realized gains and losses may be attributable to income as a matter of law, for example, when such treatment is required by a specific instrument of gift.

i) Investments purchased for the funds in this group should be recorded in the accounts and reported at cost. Gifts of securities and other donated assets should be recorded and reported at their market value or at an expertly appraised value as of the date of the gift.

j) The book value of investments should not be changed to reflect fluctuations in market prices. However, market values, based on appropriate periodic review of the investments, should be disclosed in the balance sheet by means of a footnote or other reference.

k) In order to maintain unimpaired the principal of the funds in this group, provisions should be made for the depreciation of real properties which are the investment of funds in this group and for the amortization of premiums on securities purchases. Provision may also be made for the accumulation of discounts.

l) Endowment and term endowment funds should not be invested in institutional property.

m) Endowment and term endowment funds should not be advanced for the use of other funds or fund groups.

n) The principal of endowment and term endowment funds must not be hypothecated, and their investments must not be pledged for any purpose.

6. Funds held in trust by others should not be reported as belonging to an institution.

Funds held in trust by others are those that are not actually in the possession, nor under the control, of a college or university, but are held and administered by outside fiscal agents, with the institution deriving the benefit of their income. Where such funds are material in amount they should be indicated on the balance sheet by a footnote or other reference.

Income from such funds should be identified in the Statement of Current Funds Revenues, Expenditures, and Transfers. If the funds are established under irrevocable trusts, the income may be included as Endowment Income, with notation of the amount, or it may be reported as a separate item of revenues immediately following Endowment Income. If the funds are established under revocable trusts, the income should be reported under Gifts and Grants, with notation of the amount.

7. The Life Income Funds group includes those funds acquired by an institution subject to living trust agreements, or gifts and bequests reserving life income to one or more beneficiaries.

The accounts for this fund group include those for the balances of the funds as well as those that reflect receipts and disbursements. Earnings from the investments of these funds and payments to beneficiaries should not be reported in the Statement of Current Funds Revenues, Expenditures, and Transfers, but, rather, in the Statement of Changes in Fund Balances-Life Income Funds.

8. The Plant Funds group consists of funds to be used for the construction, rehabilitation, and acquisition of physical properties for institutional purposes; funds already expended for plant properties; funds set aside for retirement of indebtedness and for renewals and replacements.

Physical properties used for institutional purposes consist of land, buildings, improvements other than buildings, and equipment. Properties which are the investment of endowment funds should not be included here, but should be reported in the Endowment Funds group. Physical properties should be carried in the accounts at cost until disposed of. Gifts of physical properties should be recorded at appraised value as of the date of the gift.

9. The necessity for providing for renewals and replacements of the physical plant facilities and other real properties of an institution depends upon the class of property under consideration and the financial program of the institution.

Except for real properties that are the investment of endowment funds, depreciation accounting as found in commercial and business organizations does not apply to colleges and universities. If the financial program of an institution is such that current funds revenues are set aside for the renewal, replacement, or expansion of educational plant facilities, the allocation of such revenues should be shown in the Statement of Current Funds Revenues, Expenditures, and Transfers as a transfer to plant funds. The amount transferred should be added to the balance of funds for retirement of indebtedness and for renewals and replacements in the Plant Funds group, and cash or other liquid assets should be transferred to the plant funds.

Depreciation accounting should be followed in accounting for real properties that are the investment of endowment funds. Funded reserves for the amount of the depreciation, carried in the Endowment Funds section of the accounts, should be established from the income of the properties or from other sources.

10. The Agency Funds group consists of funds in the custody of the institution but not belonging to it.

Colleges and universities often serve as depositories or fiscal agents for student organizations, faculty committees, or for other groups connected with the institutions. Receipts and disbursements of agency funds do not constitute current funds revenues and expenditures and should not be included in the current funds operating statements. Such transactions should be shown in the Statement of Changes in Fund Balances-Agency Funds.

11. Interfund borrowings of a temporary nature should be reported as assets of the fund group making the advances and as liabilities of the fund groups receiving the advances.

If money is loaned or advanced temporarily by one fund group to another, that fact should be set forth in the financial records and reports by showing the amount advanced as an asset of the fund group making the advance and as a liability of the fund group receiving it. The purpose of this principal is to ensure that interfund borrowings are disclosed in the financial statements. In particular, advances to plant funds from current funds should not be reflected as an asset of current funds unless there is reasonable expectation that such advances will be repaid within a short period of time. When expectation of repayment does not appear likely, the amount advanced should be accounted for and reported as a permanent transfer from current to plant funds.

12. All funds restricted by the donor or granting agency at the time of receipt with regard to the purpose for which they may be expended should be recorded as additions to the fund balances of the appropriate fund group.

Each fund and all restricted receipts from it must be recorded in the proper fund group and subgroup as determined by the restrictions placed on them by the donor or other outside agency. This measure is essential to ensure the proper use of the resources in accordance with the limitations imposed by the donor or grantor. Restrictions or designations by the governing board on unrestricted institutional funds must be recognized in the accounts and reports in a manner that will maintain a distinction between internally designated funds and externally restricted funds, since the governing board can reverse its decision on the former, but cannot lift the conditions of the latter, short of legal action.

In the case of grants or bequests that require matching funds from institutional sources, the allocations of institutional funds represent commitments of governing boards that cannot be reversed. They should be identified on the balance sheet, in the accounting records, and in the financial reports.

13. Unrestricted current funds, regardless of source, must be reported as revenues in total in the year received or accrued, in the Statement of Current Funds Revenues, Expenditures, and Transfers.

Unrestricted revenues are those revenues whose use is not subject to restrictions imposed by payors and that may, therefore, be used for any institutional purpose selected by the governing board. Major items of unrestricted revenues include tuition and fees, governmental appropriations for operations, unrestricted

endowment income, indirect cost allowances, income from temporary investment of current funds, sales and services of educational departments, and the income of auxiliary enterprises.

14. All unrestricted gifts and bequests must be reported initially in the year in which received in the Statement of Current Funds Revenues, Expenditures, and Transfers.

The financial report should reflect in one place the total received during the year from unrestricted gifts and bequests.

Institutional policy should be to apply all unrestricted gifts and bequests to the support of current operations, and the total should be reported as current funds revenues in the Statement of Current Funds Revenues, Expenditures, and Transfers under the title "Gifts and Grants."

15. Restricted current funds must be reported as revenues only to the extent expended during the year.

Restricted current funds are those resources received for restricted operating purposes, the related expenditures of which may extend beyond the fiscal year in which received. Such items do not constitute current funds revenues until the terms of the gift or grant have been met and the moneys expended in accordance therewith. Furthermore, unexpended balances of restricted gifts and grants sometimes are returnable to grantors. The amount to be reported as revenues in any fiscal period, therefore, should be limited to the amount which has been expended in that period in accordance with the terms of the gift or grant.

16. Transfers and allocations of unrestricted current funds must be reported in the Statement of Changes in Fund Balances-Unrestricted Current Funds, unless the transfer clearly represents a transfer of unrestricted revenues of the current fiscal year.

The authority of governing boards of public institutions to assign unrestricted funds to other fund groups is not absolute. In Tennessee, statutory authority exists, upon governing board approval, to use unrestricted funds for matching requirements for the National Defense Loan Program. Any transfers to Restricted Current Funds, Loan Funds or Endowment Funds should be reviewed for legality of the authorization.

The governing boards of public institutions have the authority to appropriate, allocate, or transfer unrestricted funds for any authorized purpose which does not conflict with statutory authority, and may subsequently reverse or modify such action. For example, unrestricted current funds may be allocated for use in future fiscal years, for operating purposes; such allocations remain as a part of the accumulated balance of current funds - unrestricted until reappropriated. As indicated in Principle 12, all such internal actions, and the balances of such internally established transfers or allocations, must be identified and distinguished from externally restricted funds.

Whenever it is clearly the intention of the governing board that a transfer to another fund group is from unrestricted revenues of the current fiscal year, the transfer will be reported as a deduction in the Transfer section of the Statement of Current Fund Revenues, Expenditures, and Transfers. However, the reverse of such a transfer (for example, a return to unrestricted current funds

of amounts previously transferred from revenues) may not be handled in this manner but must follow the general principle and be reflected only on the Statement of Changes in Fund Balances - Unrestricted Current Funds.

17. Earnings from endowment funds investments should be reported as income from such funds only to the extent that they are distributed to endowment income accounts.

Investment income is distributed to the income accounts of the funds participating in an investment pool on the basis of the number of shares held by each fund, adjusted for shares held for less than a year. Income stabilization reserves frequently are established for the purpose of ensuring the regularity of relatively fixed amounts of endowment funds income from year to year. The method of establishing such reserves and of providing additions to them will also influence the distribution of endowment funds income.

Under one method, provisions for the income stabilization reserve are made from the pooled income account, the balance of the earnings being distributed to the income accounts of the participating funds as described. Under another method, pooled investment income is distributed to the income accounts of the participating funds before amounts have been set aside for the income stabilization reserve. The amount reported as unrestricted revenues from endowment income in the Statement of Current Funds Revenues, Expenditures, and Transfers should be the total distributed from the pool for the unrestricted endowment funds. Amounts to be added to the income stabilization reserve should be reported under the major category Transfers in the Statement of Current Funds Revenues, Expenditures, and Transfers.

Earnings from the investments of endowment funds whose income is restricted to specific purposes should be reported as additions to the balances of the appropriate fund groups or subgroups. If such earnings are restricted to current operating purposes, the amounts reported as current funds revenues should be only those amounts expended during the fiscal period.

18. The accounting system should be maintained and financial reports presented on the accrual basis.

Current funds revenues should be reported when they become due. Expenditures should include charges for materials received and services rendered even though payments for them may not be made until a subsequent fiscal period. The degree of materiality of items, however, may indicate that it is neither necessary nor desirable to accrue all revenues and pro rate all expenditures. The payroll for personnel who are employed for an academic calendar year (9-10 months) and who are paid over a twelve month fiscal year (Sept. 1 - Aug. 31) is considered a material expenditure of the year in which the salary is earned.

19. Revenues and expenditures of auxiliary enterprises should be shown separately from other institutional operations.

The financial operations of auxiliary enterprises should be reported separately in the Statement of Current Funds Revenues, Expenditures, and Transfers. Accounts should be maintained and reports presented on the accrual basis.

Expenditures should include all direct operating costs, charges for the operation and maintenance of the physical plant used by the enterprises, and,

if applicable, contractual charges for annual debt service requirements and renewals and replacements on the physical facilities in which the auxiliary enterprises are located should be included as expenditures. Any provision made out of excess revenues of the enterprises for the renewal and replacement of their plant properties or for future debt service should be reflected as transfers.

20. Budgets for institutional operations should be prepared and adopted each fiscal year.

The annual operating budget should cover all current funds revenues and expenditures, and should be adopted well in advance of the fiscal period.

There should be an effective system of control in accordance with the approved budget. Accounts for budgetary control may be incorporated in the general accounting system or they may be maintained separately. An effective budgetary control system should provide for adequate recognition of commitments, or encumbrances, either in the general accounting system or through other records.

Budgets for current operating funds, including unrestricted, restricted and auxiliary enterprises, should be prepared and submitted to the Department of Finance and Administration, Comptroller of the Treasury, and the Higher Education Commission. See Appendix B for illustration of the required schedules. A future addendum to this report will include requests for budgeting plant funds.

21. Provision should be made for internal control and audit. In addition, there should be an annual audit by independent accountants.

Independent audits should be performed in accordance with generally accepted auditing standards.

22. A comprehensive financial report should be prepared for submission annually to the Tennessee Higher Education Commission, Department of Finance and Administration, Comptroller of the Treasury, and other authoritative agencies.

In the interest of full and fair disclosure, an institution's annual financial report must include those statements illustrated in Appendix A of this manual.

CHAPTER III

THE BALANCE SHEET

The purpose of the Balance Sheet is to present a concise statement of the financial condition of an institution and of the financial resources for which it is responsible at a specified date.

GENERAL CONSIDERATIONS

A fund is an accounting entity involving assets, liabilities, and fund balances, established for the purpose of carrying on specific activities or attaining certain objectives. Some funds may be used for any institutional purpose whereas others must be used in accordance with special regulations, restrictions, limitations, or designations.

The fund balance of each fund held by an institution should be represented by an account in the general ledger or in subsidiary ledgers with control through summary accounts in the general ledger. The accounts for assets, liabilities, revenues and expenditures, receipts and disbursements, and fund balances of all funds should be so classified that those that have like characteristics and are available for use for common purposes will be set forth, respectively, in separately balanced fund groups.

The following groups of funds are those most commonly found in educational institutions:

Current Funds
Loan Funds
Endowment and Similar Funds
Life Income Funds
Plant Funds
Agency Funds

An understanding of the manner in which the financial resources made available to colleges and universities must be used and the characteristics of the various fund groups will, with few exceptions, enable financial officers to classify all funds in the groups suggested. Within some of the major groups, subgroups are desirable, and these should be separately balanced. For example, the Current Funds group consists of unrestricted current funds, restricted current funds, and auxiliary enterprise funds. The plant funds should be divided between (a) unexpended plant funds, (b) funds for retirement of indebtedness and for renewals and replacements, and (c) funds expended for plant assets and reported in the Investment in Plant subgroup. In some institutions, other fund groups may be necessary; however, the six major groups listed above should meet the needs of the public institutions of higher education in Tennessee for adequate and clear financial reporting.

The identity of individual funds must be maintained at all times in subsidiary records, and the identity of the different fund groups must be maintained on the Balance Sheet and in all supporting statements.

The order of presenting the fund groups in the Balance Sheet is not of major importance, although to promote reasonable uniformity among the financial reports of institutions, the sequence presented in this manual should be followed.

If an institution prepares separate balance sheets for any of its administrative units, for example, a separately financed college or a branch on a separate campus, such balance sheets should follow the form recommended in this chapter. In such cases a combined balance sheet by fund groups should be prepared to show the financial condition of the entire institution.

The Balance Sheet is a summary statement. However, sound principles of reporting, even on summary statements, require disclosure of essential details. For example, the cash, receivables, investments, and other assets of the various fund groups should be separately identified and reported.

The Balance Sheet should be presented as illustrated in Form 1 and must disclose all interfund borrowings as of the date of the report.

CURRENT FUNDS

Included in this group are funds available for general operating purposes, those restricted by donors or other outside agencies for specific operating purposes, and those designated by governing boards for future operating purposes. Current Funds include the following categories:

1. Unrestricted Current Funds These are funds that have been earned by or appropriated to an institution free of any restrictions imposed by outside agencies.

2. Restricted Current Funds Such funds have been acquired by, or contributed to an institution subject to restrictions imposed by outside sources that specify the manner in which the funds are to be used in current operations.

3. Auxiliary Enterprise Funds These are funds relating to auxiliary enterprise operations that were not needed for debt retirement or replacement purposes and are carried forward until needed or transferred.

Assets of Current Funds

The items usually included as assets of current funds, and explanations of the captions used, are as follows:

Cash includes cash on hand, petty cash, and cash in banks.

Investments includes securities purchased out of current funds or received as assets of current funds. The investments should be valued at cost if purchased or at their expertly appraised value in the case of gifts. The basis of valuation and the market values should be revealed in the report by footnote or other means.

Accounts Receivable includes the usual types of such receivables. Governmental appropriations and advances that are subject to release by a governmental officer for institutional use should be shown here and not under Cash. Items of

major importance should be set out separately. Unpaid student accounts should appear here. Accounts receivable should be shown at face value less an allowance for doubtful accounts.

Notes Receivable includes the usual types of such receivables. They should be shown at face value less an allowance for doubtful notes. Student loan funds notes are not included here but are recorded in the Loan Funds group.

Inventories includes merchandise for sale and supplies and stocks in stores. Examples of the latter are office supplies, fuel, building supplies, and goods not yet charged as expense but carried in stock in general storerooms for future requisition or sale. Items that have been charged as expense should not reappear as inventory, even though they may be on hand in departmental storerooms or offices. Merchandise for sale includes such items as inventories of student stores, university presses, and food service. Other inventory accounts may be established for military uniforms, gymnasium and athletic supplies, merchandise handled through vending machines, and similar items. Inventories of salable and consumable merchandise may be segregated from other inventory accounts, if desired.

Prepaid Expenses and Deferred Charges includes that portion of operating expenditures that is properly chargeable to a period subsequent to the date of the Balance Sheet.

Due from Other Funds represents the amounts of current funds loaned temporarily to other fund groups, as for example, current funds loaned to the Plant Funds group. Permanent transfers from current funds to other fund groups would not appear as assets of this group inasmuch as they will never be repaid to the Current Funds group.

Liabilities of Current Funds

The liabilities usually included under Current Funds and explanations of the captions used are as follows:

Accounts Payable and Accrued Expenses represents liabilities for goods received and other expenses incurred for which disbursements have not been made as of the date of the report. Payrolls due and unpaid are included here. Amounts deducted from payrolls and not yet forwarded to proper agencies, such as income taxes withheld, social security taxes, and retirement annuity premiums may be shown here, or they may be shown in the Agency Funds group.

Notes Payable represents liabilities for outstanding notes covering borrowings for current operations. This category does not include any form of indebtedness on the physical plant; such indebtedness should be reported as liabilities of the Plant Funds group.

Deposits includes receipts for various purposes which an institution may be required to repay in whole or in part. They include deposits for breakage, room rental contracts, keys, library books, and reservations for admission to the institution or to the residence halls.

Deferred Revenues includes payments made to the institution in advance for services to be rendered in a subsequent period. Examples are tuition, fees, and room rentals paid in advance.

Provision for Encumbrances appears on the Balance Sheet among the liabilities when it is the practice of an institution to record commitments in the form of purchase orders as current expenditures. If it is the practice of an institution not to record purchase orders as current expenditures, a provision for encumbrances, representing outstanding purchase orders for goods or services not yet delivered or received should be reported as an allocated portion of the appropriate current funds balance.

Due Other Funds includes amounts that have been borrowed temporarily from other fund groups and will be repaid.

Fund Balances of Current Funds

The balances of Current Funds includes those for unrestricted funds, restricted funds, and auxiliary enterprises. These balances should be shown separately in the equity section of the Balance Sheet, whether or not the assets are combined.

1. The Unrestricted Current Funds balance represents the net accumulation over the years of the excess of current funds revenues over current funds expenditures and transfers. It is available for future operating purposes or any other use determined by the governing board. If any portion is allocated, such amounts may be disclosed in the Balance Sheet or the Statement of Changes in Fund Balances-Unrestricted Current Funds. If expenditures and transfers have exceeded revenues over the years, the debit balance should be shown as a deduction in the equity section of the Balance Sheet.

2. The Restricted Current Funds balances are the unexpended balances of funds restricted by donors or other outside agencies to specific operating purposes. They originate from income on restricted endowment funds, gifts whose donors have placed limitations on their use, and grants from private or governmental sources for research, training, and other sponsored programs. Since restricted current funds are reported as current revenues only to the extent expended during the year, funds thus received but not expended as of the date of the report must be disclosed.

3. The Auxiliary Enterprises Funds balance represents the unexpended balance applicable to such activities, available for future use in connection with the auxiliary enterprises.

LOAN FUNDS

The Loan Funds group includes all funds available for personal loans. Generally such funds are for student loans only; however, if faculty and staff loan funds are available, they may be included in this group, but should be identified separately. Endowed loan funds - endowment funds that are to be invested and only their income used for loans - should be included in the Endowment and Similar Funds group, and their income should be transferred periodically to the loan funds.

Assets, Liabilities, and Fund Balances of Loan Funds

The assets of Loan Funds commonly include cash, notes receivable for loans granted, and perhaps temporary investments of cash on hand. Notes receivable should be recorded at face value, less allowance for doubtful notes, if appropriate.

Temporary investments should be recorded at cost or, in the case of gifts of securities, at expertly appraised values; the basis of valuation and the market values should be disclosed in the report.

The equity section of the Balance Sheet or the Statement of Changes in Fund Balances-Loan Funds should show separately the balances of government advances for loan funds, institutional funds required to supplement such advances, other refundable loan funds, and funds available for loans to faculty and staff. Unrestricted current funds designated by the governing board to function as loan funds should be identified separately, since action of the governing board at some future date may require that the funds be returned to the Current Funds group or transferred to other fund groups.

ENDOWMENT AND SIMILAR FUNDS

The funds included in this group are of three major types: endowment, term endowment, and quasi-endowment funds.

1. Endowment Funds An endowment fund is one which a donor or other agency has stipulated, as a condition of gift, that the principal is to be maintained inviolate and in perpetuity, and that only the income from the investments of the fund may be expended.

2. Term Endowment Funds A term endowment fund is one which a donor or other outside agency, by the terms of the instrument of gift, has provided is to be released from inviolability to permit all or part of it to be expended upon the happening of a particular event or the passage of a stated period of time. When such conditions have been met, and upon appropriate action of the governing board, term endowment funds should be reported in the appropriate fund groups, depending on the new uses to which the funds are to be put.

3. Quasi-endowment Funds A quasi-endowment fund is one which the governing board of an institution, rather than a donor or other outside agency, has determined is to be retained and invested. The term funds functioning as endowment may also be used to designate such funds.

The balances of Endowment and Term Endowment Funds should be shown separately from Quasi-Endowment Funds in the equity section of the Balance Sheet in the Endowment and Similar Funds group and in the Statement of Changes in Fund Balances-Endowment and Similar Funds.

Assets of Endowment and Similar Funds

The assets of the funds in this group comprise cash and investments. Investments include securities, real estate, and any investment in institutional plant. They exclude funds held in trust by others (discussed below).

Securities include bonds, notes, preferred stocks, common stocks, and mortgage notes. The total amount invested in each category may be shown either on the Balance Sheet or in supporting schedules, regardless of whether the funds were pooled for investment purposes.

Real Estate includes real property in which endowment funds are invested

for the purpose of producing income. Such properties may be acquired by gift, purchase, or foreclosure of mortgage notes.

If any funds included in this group are invested in institutional plant, the amount should appear in this group as a separate type of investment.

Securities and real estate purchased as investments of the funds in this group should be reported at cost. Investments donated for this fund group should be recorded at market value or at expertly appraised value as of the date of the gift or the date of acquiring financial control of the asset. These values should not be changed to reflect changes in market values. Figures reflecting market values of investments, while essential in the management of investment portfolios, should be maintained in memorandum records rather than in the primary accounting records. The basis of valuation and the market values of the investments should be revealed in the financial report by a footnote or other means.

Provisions should be made for the depreciation of real estate improvements, and, when amounts are material, for the amortization of premiums and the accumulation of discounts on securities.

Pledges, including subscriptions, subscription notes, and estate notes, are not ordinarily recorded but may be included here if they reflect fairly financial resources available to an institution. In considering whether a pledge can be deemed a resource of an institution and therefore reflected in its financial statements, the following basic factors should be considered: (1) The pledge must be collectible, not only from the legal standpoint, but from the financial ability of the pledger to pay the amount of his pledge and the willingness of the institution to enforce collection by legal means, if necessary. (2) The pledge must be in writing, with amount definitely stated and a date or dates of payment specified. (3) Confirmation of the existence and the amount of the pledge must be possible by direct correspondence with the pledger or his legal representative. Under these rules, contingent bequests would not qualify for inclusion whereas legally enforceable claims against the estate of a benefactor could be considered an available resource.

Liabilities and Fund Balances of Endowment and Similar Funds

The liabilities of the funds in this group consist of any form of indebtedness against the assets, such as mortgages payable on real estate investments. Equity accounts include those for the balances of the funds in this group, for gains and losses on investment transactions, and for share adjustments. The accounts for the balances of the funds should identify separately the total of endowment funds and term endowment funds from the total of quasi-endowment funds. If investment pool gains and losses are accumulated, an additional equity account should be included for Net Adjusted Gains and Losses.

All three types of funds in this group may be further subdivided according to the manner in which the income from their investments may or must be used.

Funds Held in Trust by Others

A college or university, or a group of institutions, may be the beneficiaries of trust funds held and administered by an outside fiscal agent. Since such trust funds are not the property of the institution and are not under its sole ownership

and management, they should not be reported as funds belonging to it. They should be indicated, however, in the financial report by a notation or footnote. The value at which such funds are noted will depend to some extent on the availability of full and reliable information from the agency administering the funds. If accurate information is available from the external trustees, the values reported by them may be used; if this information is not known or is not available, the income from the funds may be cited. The valuation of such funds may also depend upon the extent to which an institution benefits from the trust. If an institution is the sole beneficiary, it may include the total value of the trust in its notation; if it receives only a portion of the income from the trust, it should include only an appropriate portion of the total value of the trust fund.

The term Funds Held in Trust by Others does not include funds under the control of an institution but administered by a trust company or other custodian as the agent of the institution.

LIFE INCOME FUNDS

Life income funds are those funds acquired by an institution subject to an agreement whereby assets - cash, securities, or other productive investments - are donated to an institution on the condition that the institution bind itself to pay periodically to the donor or other designated individual(s) the income earned by the assets donated to the institution for the lifetime of the donor or of the designated individual(s).

Assets, Liabilities, and Fund Balances of Life Income Funds

The assets of the funds in this group consist of cash, securities, and other types of investments. Their valuation should be determined and reported in the same manner as the assets of Endowment and Similar Funds.

The liabilities consist of indebtedness against the fund assets. The balance of the funds should be shown in the equity section of the Balance Sheet.

If there is unexpended income at the date of the report, it should be reported as a liability on the Balance Sheet.

PLANT FUNDS

Plant funds consist of funds to be used for the acquisition of physical properties for institutional purposes, but unexpended at the date of the report; funds expended for, and thus invested in, institutional properties; and funds set aside for debt service charges and for the retirement of indebtedness on institutional properties and for renewal and replacement of institutional properties. The term does not include real properties that are the investment of endowment and similar funds, since such properties are reported in the fund group Endowment and Similar Funds.

The usual sources of plant funds are gifts, grants, bequests, and other forms of contributions designated by donors for plant purposes; appropriations of governmental bodies for capital, or building, purposes; proceeds of loans from governmental agencies, banks, insurance companies, and other financial institutions; and special or designated student fees. Plant funds may also

come from other funds already in the possession of an institution that the governing board authorizes to be used for plant purposes, such as current funds, quasi-endowment funds, term endowment funds (upon the expiration of the time, or the achievement of the event, specified in the terms of the original gift), or life income funds (also, upon the termination of the conditions of the original gift). When the use of such funds for plant purposes represents a permanent change in the existing designated uses of the funds, this fact should be recognized as a transfer of funds. Cash or other assets should be transferred from the fund group providing the resources to the Plant Funds group.

Institutions sometimes advance on a temporary basis - that is, loan for what is expected to be a short period of time - current funds or funds of other groups for plant purposes. Such temporary advances, or short term loans, should be made only upon authorization of the governing board. The authorization should stipulate the period of the advances and should provide definite schedules of repayments. The advances should be accounted for as assets of the fund group making the advance and as liabilities of the Plant Funds group. If it is later determined that the loans cannot, or will not, be repaid by the plant funds, that fact should be recognized and the governing board should authorize a permanent transfer of the funds.

The accounts for plant funds should be classified and reported in three separately balanced subgroups: unexpended plant funds, funds for the retirement of indebtedness on institutional plant properties and for renewals and replacements of plant assets, and funds invested in institutional plant assets (see Form 1).

Assets of Plant Funds

The assets of Unexpended Plant Funds subgroup include cash, investments, and receivables. If building projects are in the process of construction, temporary accounts for such projects may be included here, the balance in the accounts being transferred to the Investment in Plant subgroup at the end of each fiscal period or when each construction project is completed.

The assets of the Funds for Retirement of Indebtedness and for Renewals and Replacements consist of cash, investments, receivables, and funds on deposit with others.

The assets of the Investment in Plant subgroup consist of land, buildings, improvements other than buildings, and equipment. Accounts for building projects in process of construction are also included here to record the amounts transferred from the temporary construction accounts in the Unexpended Plant Funds subgroup.

Plant assets should be recorded in the accounts at original cost. Gifts of plant assets should be recorded at expertly appraised values. The basis of valuation of plant assets should be disclosed in the report by footnote or other means, and the assets should be carried in the accounts at these values until disposed of. Depreciation accounting on the educational plant and on auxiliary enterprises facilities is not applicable.

If endowment funds have been invested in institutional plant, the book value

of that property should be reported as an asset in the Plant Funds group. An equivalent amount will appear as in investment asset in the Endowment Fund group.

Liabilities and Fund Balances of Plant Funds

The liabilities of the Unexpended Plant Funds subgroup consist of payables; evidences of bonds, notes, or mortgages payable; and temporary advances from other funds for plant purposes. The balances of Unexpended Plant Funds and of Funds for the Retirement of Indebtedness and for Renewals and Replacements should be shown separately as liabilities in the Balance Sheet. Any allocations by a governing board of unrestricted current funds to plant funds should be identified separately as unexpended plant funds until expended for plant assets. The governing board may authorize the transfer, at some future time, of such allocations for other fund group purposes.

The liabilities of the Investment in Plant subgroup consist of payables and evidences of indebtedness (such as bonds, notes, and mortgages payable) for funds borrowed and expended for the acquisition or construction of plant assets. The net investment of institutional funds in plant items should be shown in the equity section of the Balance Sheet in this subgroup.

AGENCY FUNDS

These are funds received by an institution from student organizations, individual students, or faculty members, for which the institution acts as custodian or fiscal agent on behalf of the payor. The assets consist of cash and perhaps receivables and temporary investments.

The liabilities and fund balances include payables and the accounts for the balance of the funds due others. If not reported as payables in the Current Funds group, amounts deducted from payrolls and not yet forwarded to proper agencies, such as income taxes withheld, social security taxes, and retirement annuity premiums, may be shown here.

CHAPTER IV

THE STATEMENT OF CHANGES IN FUND BALANCES

The Statement of Changes in Fund Balances shows in summary form the changes that have occurred in the balances of each fund group and subgroup as a result of the transactions during the fiscal period. This is a primary statement, equal in importance to the Balance Sheet and the Statement of Current Funds Revenues, Expenditures, and Transfers. The various parts of the statements show the balance of each fund group and its subgroups at the beginning of the year, additions and deductions during the year, and the balances at the close of the fiscal period covered by the report. Reports of fund balances are presented individually for each fund group and subgroup shown on the Balance Sheet.

CURRENT FUNDS

Current funds include three subgroups. The changes in balances of the subgroups should be presented on separate reports.

Unrestricted Current Funds

A statement of changes during the year in unrestricted current funds, consisting primarily of the net result of current operations, is illustrated in Form 3. Additions include the excess of revenues over expenditures and transfers as disclosed in the Statement of Current Funds Revenues, Expenditures, and Transfers (Form 2), and any adjustments and credits to be added to the balance of unrestricted current funds.

Deductions include the excess of expenditures and transfers over revenues, if that situation exists, transfers of unrestricted current funds to other fund groups, and any adjustments and charges qualifying as deductions from the balance of unrestricted current funds.

The allocated and unallocated balances as of the end of the fiscal year should be shown on the Statement of Changes in Fund Balances-Unrestricted Current Funds.

Restricted Current Funds

The changes during the year in the balances of restricted current funds are presented in the statement illustrated in Form 4.

Additions should be identified by the source of the receipts, that is, gifts restricted by donors for specific operating purposes and for student aid, income from restricted endowment and quasi-endowment funds, and receipts from outside organizations and agencies sponsoring research projects under grants, contracts, and similar agreements.

Deductions include the amount of restricted current funds expended during the fiscal period. Returns to donors or granting agencies should also be reported as deductions in this statement.

Auxiliary Enterprise Funds

The changes during the year in the balances of auxiliary enterprise funds are presented in the statement illustrated in Form 5.

LOAN FUNDS

The total balance of loan funds shown on the Balance Sheet is supported by a statement illustrated in Form 6.

Additions during the year include gifts, bequests, and governmental advances designated by donors or outside agencies to be used for lending purposes; interest on loan notes; income from restricted endowment funds; and earnings on any temporary investments of loan funds. Transfers to loan funds from other fund groups, such as the transfer of institutional funds required under the terms of governmental appropriations for student loan funds, and designations by governing boards of unrestricted current funds to be used for loan funds should also be included here.

Deductions include the amount of notes written off because of uncollectibility and any transfers from loan funds to other fund groups. When permitted by the terms of loan funds, costs of collecting notes and other administrative costs may be charged against specific loan funds. When this is done, such charges should be shown as deductions in the statement of fund balances.

ENDOWMENT AND SIMILAR FUNDS

In this statement (Form 7), the totals of endowment funds and term endowment funds must be identified separately from quasi-endowment funds. A multicolumnar form should be used, with separate columns for each subgroup and totals for the entire group.

Additions include gifts and bequests, transfers from other fund groups, income added to principal, and net realized gains on investment transactions. Deductions include any net realized losses on investment transactions, share adjustments on withdrawals, and transfers to other fund groups.

LIFE INCOME FUNDS

The changes in this group of funds are shown in a statement illustrated in Form 8.

Additions include the value of assets received under any new agreements during the year, additions to existing agreements, income earned during the year, and net realized gains on investment transactions. Deductions include payments to beneficiaries, transfers to other fund groups upon the termination of any life income agreements, and any other charges against the balances of the funds.

PLANT FUNDS

Appropriate statements should be prepared to show the changes during the year in each of the subsections of the Plant Funds group.

Unexpended Plant Funds (Form 9)

Additions include donations from private sources restricted for plant uses; building, or capital, appropriations of governmental bodies; proceeds from bond issues, mortgages, and other forms of borrowings for plant purposes; special student fees for building purposes; income from temporary investments of unexpended plant funds; net realized gains on the transactions of such investments; and transfers from other fund groups. Unrestricted current funds designated by action of the governing board to be used for plant purposes should be included here, any unexpended balance of such funds being clearly identified.

Deductions include disbursements during the year for plant facilities and any net realized losses on the transactions of temporary investments of plant funds. The disbursements for plant facilities should be divided to show separately the total amounts disbursed for land, for buildings, for improvements other than buildings, and for equipment.

Funds for the Retirement of Indebtedness and for Renewals and Replacements (Form 10)

In this statement the totals of funds for the retirement of indebtedness and funds for renewals and replacements should be identified separately. A multicolumnar form should be used with separate columns for each subgroup and totals for the entire group.

Additions include transfers from current funds; transfers of income of auxiliary enterprises pledged under indenture provisions for debt service or renewals and replacements; transfers from other fund groups authorized by action of the governing board to be used for debt service or renewals and replacements; and earnings and net gains on any temporary investments of funds in this group. Additions may also include governmental appropriations or gifts specifically designated for debt service or renewals and replacements.

Deductions include disbursements for principal and interest payments, trustees' service charges, other related disbursements in connection with the retirement of indebtedness on institutional plant facilities, and disbursements of renewal and replacement funds for the purposes indicated. Any net realized losses on investment transactions are included here.

Sinking funds and reserves held by trustees outside the institution under provision of indebtedness indentures should be included in this subsection. Required deposits to such accounts represent transfers between asset accounts in this subsection, and are not deductions from the balance of funds for the retirement of indebtedness.

Net Investment in Plant (Form 11)

Additions include the amounts disbursed from unexpended plant funds; amounts expended from current funds for equipment; the appraised value of equipment, collections, and other plant assets received as gifts; and the amount by which the indebtedness on the institutional plant was reduced during the year.

Deductions represent the book value of plant assets which have been disposed of during the year, and the amount by which the indebtedness on the institutional plant was increased during the year.

AGENCY FUNDS

The changes during the year in the balances of these funds may be shown in a statement illustrated in Form 12. This is a report of stewardship only; it is not a report of institutional transactions. Therefore, it is sufficient to present a summary showing only the total of the balances of all such funds at the beginning of the year, additions and deductions during the year, and the total of the balances at the close of the fiscal period. It is not necessary to report the detailed transactions of each fund in the institutional report, although such reports should be made at least annually to the owners of the funds.

SUMMARY AND DETAILED STATEMENTS

Forms 3-12 are illustrations of statements that summarize the changes that occurred during the fiscal period in the various fund balances. Forms 17-24 illustrate schedules which present the transactions of each fund group in greater detail. Such schedules, as well as many others, should be included in the annual report to the Comptroller of the Treasury, Department of Finance and Administration, and the Higher Education Commission.

CHAPTER V

THE STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND TRANSFERS

The revenues and expenditures for current operations of a college or university during a fiscal period, together with transfers from or to the current operating revenues, are shown in summary in Form 2, Statement of Current Funds Revenues, Expenditures, and Transfers. More detailed presentations are shown in Form 13, Schedule of Current Funds Revenues, and Form 14, Schedule of Current Funds Expenditures. Additions to and deductions from endowment and term endowment, quasi-endowment, loan, life income, plant, and agency funds are specifically excluded from all three forms.

CURRENT FUNDS REVENUES

Current funds revenues are classified in three major categories:

Educational and General
Student Aid
Auxiliary Enterprises

Institutions may administer activities and programs that provide services to the community, the state, the region, or the nation. Some of these will be educational in character and, when they are, should be included in the category Educational and General. Others may be primarily community or public services performed by the institution,and are not essential in meeting the educational objectives of the institution. In the latter cases, the revenues from the activities may be reported in separate major categories, immediately following Student Aid, in the Statement of Current Funds Revenues, Expenditures, and Transfers, and in the Schedule of Current Funds Revenues. Some services of this type are:

Hospitals providing services to the community and the state beyond the educational requirements of the institution's medical school;
Regional research or educational facilities such as a computer center serving several institutions;
Regulatory services such as seed control and the natural resources surveys assigned to some state universities and land-grant colleges;
Contract research centers of major magnitude;
International programs involving service or assistance to foreign countries and educational institutions.

Educational and General

This category includes revenues from unrestricted current funds, revenues from restricted funds to the extent they have been expended during the period covered by the financial report, and revenues from unrestricted gifts and bequests received during the period.

Educational and General revenues should be classified by sources as follows:

A. Student Tuition and Fees

B. Other Student Charges
C. Governmental Appropriations
D. Endowment Income
E. Gifts and Grants
F. Sponsored Research
G. Other Separately Budgeted Research
H. Other Sponsored Programs
I. Recovery of Indirect Costs - Sponsored Programs
J. Sales and Services of Educational Departments
K. Organized Educational Activities
L. Other Sources

To achieve reasonable uniformity among the financial reports of institutions, the above order should be maintained in the sequence of items in the Statement of Revenues.

A. Maintenance Fees and Tuition Under this title should be included all maintenance fees and tuition assessed against students, net after refunds. Charges for room, board, and for other services rendered by auxiliary enterprises are not included here, but, instead, are reported under the category Auxiliary Enterprises.

Maintenance fees and tuition remissions or exemptions should be assessed and reported as student fees revenues although it is not intended to effect collection from the students. A corresponding amount, as well as the amount of other student aid granted out of current revenues, should be shown as expenditures under the category Student Aid.

In this category should be included revenues from charges for all instructional programs, including regular sessions, summer sessions, and off-campus programs if credit is granted for courses.

Revenues from student fees assessed specifically for debt service on institutional plant or for plant expansion purposes should not be included under this title, but should be reported directly as additions to the appropriate subgroup of the plant funds accounts. If a portion of maintenance fees and tuition is to be applied to plant funds, the amount should be shown as a transfer to plant funds. This transfer should be separately identified within the transfer section on the Statement of Current Funds Revenues, Expenditures, and Transfers.

B. Other Student Charges Many charges are made against students for transcripts, labs, music, health, and other items. These and all other student charges should be included under this category.

C. Governmental Appropriations Included in this title should be all amounts received from or made available by governmental sources out of governmental revenues that are expendable for educational and general purposes. This title also includes funds disbursed for an institution by a governmental treasury on separate institutional vouchers. Any amount entered as revenues but not yet received or drawn against must appear as a receivable on the Balance Sheet. Revenues from governmental agencies for sponsored research or other sponsored programs should not appear here, but should be reported under Sponsored Research or Other Sponsored Programs.

D. Endowment Income This title applies to income from the investments of both unrestricted and restricted endowment, term endowment, and quasi-endowment funds. The amount to be reported as revenues from unrestricted endowment funds should be either (a) the total earned on the investments of those funds during the year of the report or (b) the amount distributed from income of an investment pool for unrestricted operating purposes. The amount to be reported as revenues from restricted endowment funds should be the amount of income expended during the year.

If endowment funds investments include real estate, the income should be reported on a net basis after allowing for all costs of managing the properties.

If funds held in trust by others are established under irrevocable trusts, the income therefrom may be reported under Endowment Income with appropriate notation as to the amount, or it may be reported as a separate item immediately following Endowment Income.

E. Gifts and Grants Under this title should be reported the amount of unrestricted gifts and bequests received during the fiscal period. Also included in this category are training programs, training and instructional institutes, and similar activities, for which payments will be made in accordance with contracts, grants, or other written agreements, and for which class credits are given to the persons attending.

If funds held in trust by others are established under revocable trusts, the income therefrom should be reported as other unrestricted gifts. If the income is sizable, appropriate notation should be made in the financial report.

F. Sponsored Research This title includes revenues from governmental agencies or other outside organizations or individuals for specific research projects for which payments will be made in accordance with contracts, grants, or other written agreements. Amounts equal to direct costs expended are transferred from current restricted fund balances and reported as restricted revenues. Amounts equal to allowable indirect costs associated with those direct costs are transferred from current restricted fund balances and reported as unrestricted revenues. The revenues from governmental sources should be shown separately from those from nongovernmental sources.

G. Other Separately Budgeted Research Under this title should be reported the gross revenues from all separately organized research divisions that are not financed in the manner described for Sponsored Research activities. Examples are research bureaus and institutes and agriculture and engineering experiment stations. If the revenues produced by such divisions are not material, they may be reported under Sales and Services of Educational Departments.

H. Other Sponsored Programs This title includes revenues from all separately budgeted programs, other than research, that are supported by sponsors outside the institution. Examples are training programs, training and instructional institutes, and similar activities, for which payments will be made in accordance with contracts, grants, or other written agreements, and for which class credits are not given to the persons attending. The basis for reporting revenue is similar to that for sponsored research.

I. Recovery of Indirect Costs - Sponsored Programs This title includes recovery of indirect costs accruing from sponsored research and other sponsored

programs. As noted above: Amounts equal to allowable indirect costs associated with the direct costs are transferred from current restricted fund balances and reported as unrestricted revenues.

J. Sales and Services of Educational Departments Incidental revenues of educational departments are included here, such revenues being reported by departments. If the departmental activities producing the revenues are conducted primarily for professional training of students, they should be classified as Organized Educational Activities.

K. Organized Educational Activities Revenues of organized activities should be reported separately by activities and not merged with incidental revenues reported in Sales and Services of the departments to which they relate, nor with revenues reported under Other Sources.

If the instructional or laboratory experience of students is secondary to service to students and staff, then the activity should be classified and reported under Auxiliary Enterprises. If service to the community or state is paramount, as in the case of some state hospitals operated by state universities, the revenues should be reported under a separate major category.

L. Other Sources All items of revenues for educational and general purposes not covered elsewhere should be reported under this title. Important items and those of major magnitude should be listed separately.

Student Aid

Under this category should be reported an amount equal to the total amount of restricted funds expended during the fiscal period for scholarships, fellowships, grants-in-aid, prizes and awards, and other student aid. Amounts should be identified according to Gifts, Endowment Income, and Other Sources.

Auxiliary Enterprises

The gross revenues of auxiliary enterprises should be reported under this major category.

Revenues from intercollegiate athletics usually are reported here. If an intercollegiate athletics program is operated as an integral part of a department of physical education, its transactions should be reported under Organized Educational Activities. If the program is operated by a separate corporation, the transactions would not be included in the institutional operating statements. However, the financial statements of the separate corporation should be appended to the institutional report or otherwise be referred to in that report.

Similarly, revenues from college unions operated by institutions should be reported here. If a union is operated by a separate corporation, its financial statements should be handled as described for intercollegiate athletics.

The financial transactions of service departments and general storerooms are not reported here. Normally such transactions do not result in revenues to the institution because they are essentially journal entries reflecting interdepartmental transfers (See Chapter VI, "Accounting and Reporting Procedures for Fund Groups.").

CURRENT FUNDS EXPENDITURES

The report of current funds expenditures includes those of both unrestricted and restricted current funds. All items of expenditures are included, such as salaries, wages, and other forms of compensation; consumable supplies and materials, services, and other costs of operations; and expenditures for equipment. They are reported in summary in Form 2, Statement of Current Funds Revenues, Expenditures, and Transfers; and in greater detail in Form 14, Schedule of Current Funds Expenditures by Function.

Current funds expenditures are classified in three major categories:

Educational and General
Student Aid
Auxiliary Enterprises

As noted at the beginning of this chapter under "Current Funds Revenues," expenditures for those activities and programs that are conducted primarily as community or public services may be reported under separate major heads immediately following Student Aid in the Statement of Current Funds Revenues, Expenditures, and Transfers and in the Schedule of Current Funds Expenditures.

Within the major categories, current funds expenditures should be classified by function or organizational unit and by purpose.

Educational and General

Educational and General expenditures should be classified in the following functional categories:

A. Instruction and Departmental Research
B. Organized Educational Activities
C. Sponsored Research
D. Other Separately Budgeted Research
E. Other Sponsored Programs
F. Extension and Public Service
G. Libraries
H. Student Services
I. Operation and Maintenance of Physical Plant
J. General Administration
K. Staff Benefits
L. General Institutional Expenses

To achieve reasonable uniformity among the financial reports of institutions, the above order should be maintained in the sequence of items in the Statement of Expenditures.

A. Instruction and Departmental Research Under this title should be included all expenditures of the departments, colleges, schools, and instructional divisions of the institution. It includes compensation for deans, faculty members, secretaries, technicians, laboratory and other assistants; office expenses; laboratory and instructional expenses; other operating expenses; and expenditures for equipment.

Expenditures incurred for instructional programs for students pursuing regular courses of study leading to collegiate degrees, whether offered off-campus or on-campus under the jurisdiction of an extension department, should be included under this heading. Amounts reported here should include expenditures for research not separately budgeted or financed.

The instructional divisions -- schools, colleges, and departments -- should be listed in this statement. If the administrative organization of the institution does not provide for divisions, schools, or colleges, the departments of instruction should be listed.

Expenditures for museums should be included with expenditures of the departments of instruction which they serve. Museums organized to serve the entire institution may be shown under a separate main heading or under General Institutional Expenses. Museums which are primarily of a public service nature may be reported under Extension and Public Services.

B. Organized Educational Activities This title includes the gross expenditures for the activities listed under the same title in the Statement of Current Funds Revenues. Each activity should be reported separately, and all charges applicable to their operations should be included.

C. Sponsored Research This title includes expenditures for direct costs of research projects in accordance with the terms of grants, contracts, or other agreements, representing restricted current funds expenditures.

D. Other Separately Budgeted Research Expenditures for research bureaus and institutes, experiment stations, and similar organizational units should be reported under this title. Some separately budgeted research programs and activities may produce revenues, for example, a bureau of economic research; others may be supported by governmental appropriations, for example, Agriculture Experiment Stations; many other activities, the expenditures of which are reported under this title, produce no revenues, nor do they receive governmental appropriations. Expenditures should be reported here for such activities and for all separately budgeted research programs, regardless of the source of financial support. The title excludes departmental research not separately budgeted or financed, which is reported under Instruction and Departmental Research.

E. Other Sponsored Programs Here should be reported the expenditures of the same activities and programs included under this title in the schedule of revenues. Examples are training programs, training and instructional institutes, and similar activities for which class credits are not given to the persons attending.

F. Extension and Public Service Under this title should be included expenditures of educational and other activities designed primarily to serve the general public. If of major magnitude, individual activities may be reported separately.

G. Libraries Under this title should be included the total expenditures for separately organized libraries, both general and departmental. The expenditures include those for salaries, wages, other operating expenses, books, subscriptions, continuations, and binding costs.

H. Student Services Expenditures for services to students are included here. Examples are: registrar's office; admissions office; offices of the deans of students, men, and women; guidance and testing programs; health service, unless it is an auxiliary enterprise; the financial aid office; and institutional subsidies to student activities.

I. Operation and Maintenance of Physical Plant This title includes all expenses for salaries, wages, supplies, materials, other similar expenses; expenditures for equipment for the operation and maintenance of the institutional plant; and miscellaneous general services not charged elsewhere. If expenditures are charged directly (prorated) to auxiliary enterprises and organized educational activities, they should be excluded or deducted from the total included under this title. Costs of work performed by the physical plant department for organizational units should be charged to those units and not included in the total reported for Operation and Maintenance of Physical Plant.

J. General Administration Under this title should be included all expenditures of the general executive and administrative officers serving the entire institution. Administrative expenditures chargeable directly (prorated) to auxiliary enterprises or to organized educational activities should be excluded or deducted from the total included under this title.

K. Staff Benefits Expenditures should be reported in total as a function, and should not be distributed to the accounts to which the salaries and wages of faculty and other staff members are charged. Staff benefits funded directly by governmental or other outside agencies would not be included here; however, when the total figures are material and are determinable, they should be disclosed either in a footnote or some other manner. Amounts charged directly (prorated) to auxiliary enterprises and organized activities relating to educational departments should be excluded or deducted from the total included under this title.

State Board of Education institutions, both senior universities and community colleges, should add a footnote to their budget document and June 30th financial statements. This footnote should contain the matching requirement (an amount equal to that deducted from the payroll) for the Tennessee Teacher Retirement benefits. The footnote should not become an integral part of the financial statement or the budget, and is added for a more comparative review of staff benefits expenditures.

L. General Institutional Expenses This title includes other expenditures for the entire institution exclusive of libraries and physical plant operation and maintenance. Wherever possible, such items should be charged as departmental and office expenses, although practices will vary among institutions because of budget and other managerial policies.

If any expenses of this group are charged directly (prorated) to auxiliary enterprises or to organized educational activities, they should be excluded or deducted from the total of General Institutional Expenses.

Student Aid

In this category should be reported expenditures for all forms of student aid granted from current funds. Expenditures from both unrestricted and restricted current funds are included here, the amount expended from restricted

current funds being shown, also, as revenues for Student Aid. Aid to students in the forms of remission of maintenance fees and tuition and of exemption from the payment of such charges should be reported under this heading as expenditures of unrestricted current funds. However, remissions of maintenance fees and tuition granted because of faculty or other staff status or connection of students should be reported as Staff Benefits, not as Student Aid.

Auxiliary Enterprises

This category includes the gross expenditures of the enterprises indicated. Physical plant charges should be included. In the Schedule of Current Funds Expenditures, operation of each auxiliary enterprise should be reported separately.

THE TRANSFER SECTION -- CURRENT FUNDS REVENUES, EXPENDITURES, AND TRANSFERS

Transfers to other fund groups from Unrestricted Current Funds will be reported in the Statement of Current Funds Revenues, Expenditures, and Transfers if they constitute assignment by the governing board of a portion of unrestricted current fund revenues of the current fiscal year. Examples of such transfers from revenue are matching additions to N.D.E.A. student loan funds, plant funds, and also transfers used for debt service and for renewal and replacement of plant assets.

CHAPTER VI

ACCOUNTING AND REPORTING PROCEDURES FOR FUND GROUPS

CURRENT FUNDS

Current funds are those resources of an institution which are available for operating purposes. They include funds restricted by donors or other outside agencies for specific operating purposes and unrestricted funds including gifts and bequests designated by governing boards for operating purposes.

"Operating purposes" are those activities engaged in by colleges and universities in achieving the primary objectives for which they are established: instruction, research, and public service. The term also includes the supporting services necessary to achieve the primary objectives.

Unrestricted Current Funds

Funds which have been earned by, or appropriated or contributed to, a college or university free from any restrictions imposed by donors, payors, or outside agencies as to their use are unrestricted current funds. Although such funds generally are used for operating purposes, they may be designated by governing boards for other institutional uses.

Basis of Reporting Unrestricted current funds revenues and expenditures should be accounted for on the accrual basis. Because one of the primary purposes of accounting and reporting in colleges and universities is to provide financial information to meet the needs of management, the total operating revenues and expenditures must be accumulated accurately and consistently from year to year and be disclosed in the reports. Revenues should be reported when they become due, and expenditures should include charges for materials received and services rendered even though payments for them may not be made until a subsequent fiscal period.

However, unlike accounting and reporting for commercial enterprises, it is more important that the financial statements of a college or university disclose clearly the institution's stewardship of the resources and property entrusted to it than it is to determine net profits and net worth. Therefore, it may not be necessary to accrue all revenues or to prorate all expenditures. For example, most institutions do not accrue income from investments nor allocate to subsequent fiscal periods the cost of insurance premiums. When the revenues to be received are related directly to costs already incurred, the amounts should be accrued and reported as revenues and as receivables.

Interdepartmental Transactions Such transactions should not be accounted for and reported as current funds revenues and expenditures since to do so would inflate the total operating figures for the institution. Certain transactions, however, should be reflected in the operating statements such as:

1. Materials produced by a departmental activity and sold to other departments or to auxiliary enterprises; for example, the sale of milk by the dairy department to the dining halls. This transaction should be treated as revenues of the organized activity related to the dairy department and as expenditures of the food services.

2. Sales and services of auxiliary enterprises to other departments; for example, catering by the food service department for student or faculty groups, for receptions, and for the entertainment of institutional guests; and the sales to offices and instructional departments by the student store. Such transactions should be treated as revenues of the respective auxiliary enterprises and as expenditures of the offices, departments or organizations receiving the services or materials.

Examples of interdepartmental transactions that should not be reported as institutional revenues and expenditures are:

1. Sales and services of central stores and of service departments. The transactions of such units should be handled on a revolving fund basis. Costs of materials and expenditures for personal services should be charged to the appropriate units, and credits for the services and materials furnished to using departments of the institution should be credited to the appropriate units. If a subsidy from institutional funds is authorized for the support of a central store or service department, the amount of such subsidy should be reported as an expense of the institution. If an excess of credits over charges of a service department or central store is treated as revenue of the institution, such amounts should be reported as revenues in the institutional reports. The value of services and materials obtained from service departments and central stores by offices and departments of the institution must be accounted for and reported as expenditures of those departments, just as if they had been obtained from sources outside the institution.

2. Transfers of supplies or equipment from one department to another, such as laboratory materials of the chemistry department transferred to the biology department. Such transactions should be treated as reductions in expenditures of the department transferring the materials, and as expenditures of the department receiving them.

Reporting for Auxiliary Enterprises The operations of auxiliary enterprises should be accounted for and reported separately from other current funds. The accounts for such activities should be maintained on the accrual basis, and their gross revenues and expenditures should be included in the institutional Statement of Current Funds Revenues, Expenditures, and Transfers. If any auxiliary enterprises are operated as separate corporations, for example, intercollegiate athletics, college unions, or university presses, their reports should be appended to the institutional financial report or otherwise referred to in that report.

Reporting for Branches, Colleges, and Divisions If an institution maintains separate accounts for branches, colleges, and divisions, it should show the revenues and expenditures of such units separately in its annual report and subsidiary schedules should be prepared for each such unit. Control accounts for the units should be maintained in the primary accounting records and the Statement of Current Funds Revenues, Expenditures, and Transfers should present the aggregate transactions for the entire institution. A columnar form or report may be used showing this information both for each of the units and for the institution as a whole.

Reporting Unrestricted Gifts and Bequests All unrestricted gifts and bequests should be reported in total as revenues in the Statement of Current Funds Revenues, Expenditures, and Transfers. The total received during the

fiscal period should be reported in the Statement of Current Funds Revenues, Expenditures, and Transfers under the title "Gifts and Grants."

Current Funds Used for Debt Service Interest payments on amounts borrowed for current operations should be accounted for as expense and reported in the category Educational and General under the title General Institutional Expenses in the Statement of Current Funds Revenues, Expenditures, and Transfers. Repayments of principal of such borrowings do not constitute expenses; neither do the proceeds from the borrowings constitute revenues. Such transactions involve only the Balance Sheet accounts, Cash and Notes Payable.

In the case of debt service on funds borrowed for the acquisition or construction of plant facilities, current funds used to meet such debt service charges should be transferred from current funds to the Plant Funds subgroup, Funds for Retirement of Indebtedness and for Renewals and Replacements. Such transfers should be shown at the end of the Statement of Current Funds Revenues, Expenditures, and Transfers, under the major category Transfers.

If the debt service involves amounts borrowed for auxiliary enterprises plant, the charges for debt service (not in excess of current debt service requirements) should appear as an expenditure in the operating statements of the appropriate auxiliary enterprises. Any excess revenue of the units above current requirements that is transferred to Funds for Retirement of Indebtedness and for Renewals and Replacements should appear as a transfer in the operating statements of the appropriate auxiliary enterprise. All such plant facilities debt service transactions should be reflected in the Plant Funds subgroup, Funds for Retirement of Indebtedness and for Renewals and Replacements.

In all such transactions, cash or other liquid assets must be transferred from current funds to the Plant Funds subgroup, Funds for Retirement of Indebtedness and for Renewals and Replacements.

If the debt service charges to an auxiliary enterprise unit are less than the required annual payments, the schedule of operations for the auxiliary enterprise should be footnoted, indicating the amount of the additional requirement.

Current Funds Used for Renewal and Replacement of Plant Assets Any amounts of current funds revenues set aside for the renewal and replacement of educational plant assets should be shown in the Statement of Current Funds Revenues, Expenditures, and Transfers under the major category Transfers.

Amounts provided from the revenues of auxiliary enterprises for annual contractual renewal and replacement requirements of auxiliary enterprise plant assets should be included as expenditures in the statements of operation for the respective enterprises. Any excess revenue of the units above current requirements that is transferred to Funds for Retirement of Indebtedness and Renewals and Replacements should appear as a transfer in the operating statements of the appropriate auxiliary enterprises.

Provisions for renewals and replacements made from previously accumulated current funds should be shown as transfers from the unrestricted current funds balances.

In both cases, cash or other liquid assets must be transferred from current funds to the Plant Funds subgroup, Funds for Retirement of Indebtedness and for Renewals and Replacements.

Current Funds Set Aside for Operating Purposes A governing board may allocate portions of unrestricted funds for specific future operating purposes. In effect, this results in allocating portions of the accumulated excess of current funds revenues over current funds expenditures, and should be shown on the Statement of Changes in Fund Balances as Unrestricted Current Funds Balances-Allocated. When expenditures are subsequently incurred for the stated purposes, they are reported on the budget accounts for the appropriate departments or organizational units in the Statement of Current Funds Revenues, Expenditures, and Transfers. In the statement of Changes in Fund Balances-Unrestricted Current Funds, an amount equal to the total of such expenditures should be restored to the Unallocated portion by deduction from the Allocated portion of the fund.

Current Funds Used for Other Fund Purposes Unrestricted current funds of public institutions may, if legal authority permits, be used for any general institutional purposes authorized by the governing board. Such funds may be transferred to Loan Funds to meet required supplements to governmental appropriations for N.D.E.A. loan funds; they also may be transferred to plant funds for plant expansion and rehabilitation purposes, or for the retirement of indebtedness.

Transfers of current funds to other fund groups may be reported in the Statement of Current Funds Revenues, Expenditures, and Transfers under the separate section for Transfers, only if the governing board has clearly specified that revenue of the current year is to be the funding source for the transfer. Otherwise, all such transfers must be reported in the respective Statement of Changes in Funds Balances.

Restricted Current Funds

Restricted current funds are expendable for operating purposes, but are restricted by donors or other outside agencies as to the specific purposes for which they may be expended. Examples are gifts for scholarships and fellowships or for the purchase of books or equipment; grants from foundations, industries, individuals, and governmental bodies for research projects and other sponsored programs; and income from investments of endowment funds restricted by donors as to use. Expenditures should be accounted for and reported on the accrual basis.

For reporting purposes, at the close of the fiscal period, the expenditures should be analyzed according to the organizational units responsible for the use of the restricted funds, and reported as expenditures of those units, identified as restricted expenditures in the Statement of Current Funds Revenues, Expenditures, and Transfers.

Revenues of restricted current funds should be reported in this statement in an amount equal to the total expenditures of such funds for the year. The amount of revenues should be analyzed according to the sources of funds, such as gifts, grants, governmental appropriations, and endowment income.

In presenting the Statement of Current Funds Revenues, Expenditures, and Transfers, and in all supporting schedules, the use of a multicolumnar form makes it possible to distinguish clearly among the transactions of unrestricted and restricted funds and at the same time to show the total current funds revenues and expenditures for the entire institution during the period of the report.

LOAN FUNDS

Loan funds generally are operated on a revolving fund basis, repayments of loans and interest payments on the notes, if any, remaining in the Loan Funds group for lending to other students. However, the terms of gifts, bequests, and governmental grants may specify other ways in which repayment of notes and interest are to be used. For example, the conditions of a gift may require that loan repayments and interest be added to the principal of the endowment fund, the income from which provides the loan fund. In other cases, only the repayments of loans are to be returned to the endowment funds, any interest payments being retained in the Loan Funds group. Other conditions and stipulations for managing loan funds may prevail, and the provisions of gifts and bequests and the conditions under which loan funds are established should be examined to ensure that all required management, accounting, and reporting stipulations are complied with.

Provisions should be made for an allowance for doubtful notes by charging the required amounts against the balance of the fund from which the loans were made. The allowance should be reported as a deduction from the related notes receivable.

The assets of loan funds may be pooled for lending purposes unless prohibited by restrictions or other requirements in the administration and use of the funds. The identity of each loan fund, however, must be maintained in the accounting records.

Income from any temporary investments of loan funds and net realized gains on the sale of such investments should be credited to the balance of the funds so invested; such receipts do not constitute resources which may be used for operating purposes or for any uses other than loan funds.

ENDOWMENT AND SIMILAR FUNDS

The accounting records for Endowment and Similar Funds should include an account for the balance of each fund. This is required even though the assets of some or all of the funds are pooled for investment purposes. If a fund is separately invested, each investment of the fund must be identified. If the assets are pooled they should be accounted for in appropriate classes of investments, such as bonds, preferred stocks, common stocks, mortgage notes, and real estate.

An account for net realized gains and losses on investment transactions should be established for investment pools. The accumulated net gains and losses may be carried as an equity account, or, if desired, may be distributed periodically to the balances of the participating funds. Realized gains and losses on a separately invested fund should be distributed directly to the fund, thus changing the fund balance each time an investment is sold.

Valuation of Investments Each purchased security should be carried in the accounting records and reported at its cost, including commissions, taxes, and other acquisition expenses. A security or other investment received as a gift should be entered at its market value on the date on which the gift is consummated. If the security is listed on an exchange, an appropriate value is the mean of the high and low prices reported for the day. For unlisted securities

which appear on regularly published quotation lists, the mean of the bid and asked prices reported for the day should be used. If the donated investment has limited marketability, the accounting records should reflect an estimated market value as established by a qualified, disinterested appraiser. In such instances it is desirable to retain the written appraisal and information to establish the competence of the appraiser.

The cost or appraised value of investments should remain unchanged in the accounting records, except for entries to reflect additions, sales or partial sales, and other similar adjustments. Figures reflecting market values of investments, although essential for the management of the investment portfolio, should be maintained in memorandum records rather than in the primary accounting records.

Principal and Income It is essential to distinguish properly between principal and income, because different limitations may apply to each.

Realized gains and losses on investment transactions are respectively additions to or deductions from the fund balances. They may be reflected in the fund balance accounts at the time they are realized or they may be retained in an appropriate account as undistributed accumulations applicable proportionately to each fund balance. Such capital gains and losses are not operating income and expenses and should not be treated any differently from the amounts representing the original fund balances. They are subject to the same restrictions and limitations on investment, expenditures, and dispostion as are the funds from which they arose.

Stock dividends that are distributed in the same form of securities as the investment holding, should be recorded as additions to the holdings with no change in the total book value. Stock dividends paid either in different classes of stock or in securities of other corporations may constitute either income or distribution of principal, depending upon the relationships of the two securities.

Proceeds from the sale of stock rights and warrants should be recorded as reductions in book values of the investments, not as income. If stock rights are exercised, the amounts expended should be added to the book values of the investments. If the stock rights belonging to one fund are exercised by another fund, the value of the rights should be recorded as a sale between the two funds at fair value of the rights.

Premiums and discounts on bonds and other types of fixed-income investments represent adjustments of the rate of return on the investments. Premiums should be amortized and discounts accumulated ratably at the time income is received. Amortization of premiums should be computed to the earliest call date; accumulation of discounts should be computed to the maturity date of the investment.

Real Estate Real estate held as the investment of endowment funds may be purchased, donated, or acquired by foreclosure of mortgages. Expenditures for permanent improvements and special assessments should be capitalized. Expenses for such items as repairs, operations, insurance, taxes, and management fees are chargeable against income. Depreciation should be accounted for on such property to maintain unimpaired the principal of the funds so invested.

Transfers of Investments Between Funds Investments may be transferred from one fund or fund group to another, but such transfers should have the same formal approval as would purchases from a third party. The value of the invest-

ments transferred should be determined as of the date of the transfer. Any profits or losses within each fund group resulting from the transfer should be handled and recorded in the same manner as if the transactions were with outsiders.

LIFE INCOME FUNDS

Separate accounts must be maintained for the balance and for the receipts and disbursements of each fund in this group. Income from the investments of the funds and payments to beneficiaries should be accounted for and reported here and not as revenues and expenditures of current funds.

Gains and losses resulting from investment transactions should be accounted for as follows: (a) if the funds are separately invested, the gains should be credited and losses charged directly to the principal of the funds involved; (b) if the assets are pooled for investment purposes, a reserve account should be established to which gains should be credited and losses charged, following the methods described elsewhere for endowment pools.

PLANT FUNDS

Unexpended Plant Funds All receipts for plant construction and for other plant or capital purposes should be recorded in the Unexpended Plant Funds subgroup. Receipts include governmental appropriations for buildings and improvements, gifts for plant purposes, and transfers from other fund groups. These should be credited to the balance of unexpended plant funds. Proceeds from borrowings from outside sources for plant purposes should be recorded in this subgroup, appropriate evidence of the indebtedness in the form of notes, bonds, or mortgages payable being shown as liabilities of this subgroup.

When construction is started and the unexpended plant funds are disbursed, a temporary account should be opened for "Construction in Progress" to which are charged all costs pertaining to the project. For report purposes, this account may be closed at the end of the fiscal period with the asset value, that is, the cost of construction to the date of the report, being transferred to the Net Investment in Plant subgroup. As an alternative, the temporary account may be maintained in the Unexpended Plant Funds subgroup until the structure is completed, at which time the asset value would be transferred in total to the Net Investment in Plant subgroup.

If the project is financed from borrowed funds, the related liability for indebtedness should be transferred from the Unexpended Plant Funds accounts to the Net Investment in Plant subgroup at the same time the value of the new structure is transferred. If the project is financed from institutional plant funds, the balance of unexpended plant funds would be reduced by the value of the new structure as it is transferred to the Net Investment in Plant subgroup.

Funds for Retirement of Indebtedness and for Renewals and Replacements All funds designated for debt service charges and for the retirement of indebtedness or for renewals and replacements on educational plant assets should be reflected in this subgroup in an account, or accounts, that disclose the current year debt service or renewal and replacement activity and the balance of funds available for this purpose. Governmental appropriations, special student fees, gifts, and all other receipts clearly identifiable as funds to be used for debt service or

renewals and replacements should be recorded here. Special student fees designated for debt service or renewals and replacements on auxiliary enterprise units should be reflected as income of the unit to the extent applied to current year debt service or renewal and replacement requirements. The portion of income from the operations of auxiliary enterprises applied to current year debt service or renewal and replacement purposes should be reflected as an expenditure of the auxiliary enterprise unit and should also be reflected in the Funds for Retirement of Indebtedness and Renewals and Replacements subgroup. Any excess revenues of auxiliary enterprise units above current year debt service or renewal and replacement requirements which may be designated for future debt service or renewal and replacement purposes should be accounted for as transfers. Likewise, additions to these funds from unrestricted general current funds should be accounted for as transfers.

All disbursements for debt service or renewals and replacements on institutional plant indebtedness should be reflected as transactions in this subgroup. Also, entries in the account or accounts for the balance of this subgroup should clearly identify the amounts of principal reductions and interest payments for those transactions involving debt retirement. Payments on the principal of indebtedness represent the investment of institutional funds in plant assets, and appropriate adjustments must be made in the account New Investment in Plant.

The balances of Funds for Retirement of Indebtedness and for Renewals and Replacements should be shown separately. In presenting the Statement of Changes in Fund Balances - Funds for Retirement of Indebtedness and for Renewals and Replacements, the use of a multicolumnar form makes it possible to distinguish clearly among the transactions of funds for retirement of indebtedness and funds for renewals and replacements and at the same time show total transactions for these funds during the period.

The provisions of loan indentures frequently require specific deposits to sinking funds to ensure future interest and principal payments and also may require deposits to reserves to ensure proper upkeep and maintenance of the properties. Such deposits represent transfers between asset accounts in this subgroup, and are not deductions from the balance of funds for the Retirement of Indebtedness and for Renewals and Replacements.

Investment in Plant The accounts in this subgroup of the plant funds disclose, in the asset section of the Balance Sheet, the book value of the institutional plant properties. In the liability section are shown the amounts of any funds borrowed for their acquisition or construction, and the institution's equity in the plant assets; that is, the net amount of institutional funds expended for plant assets.

A temporary account may be carried among the assets in this subgroup for construction in progress to which is charged the value of construction transferred from the similar account in the Unexpended Plant Funds subgroup, as previously described. At the end of the fiscal year or when the project is completed, the temporary account should be closed and the value of the plant asset added, as appropriate, either to the account for Buildings or the account for Improvements Other than Buildings.

If the project is financed from borrowed funds, the related liability for the indebtedness is also transferred from the Unexpended Plant Funds subgroup to this subgroup. If the project is financed from institutional plant funds, the credit is to the account for Net Investment in Plant. The balance in this

account may be subdivided to show the source of the institutional funds, such as governmental appropriations, gifts, and current or other funds.

The value of the assets in the Net Investment in Plant Subgroup is increased during the year through the expenditures of plant funds, as described above, and through gifts of plant assets to the institution.

The Net Investment in Plant account is increased by the additions to the plant assets as just described, and by the liquidation of indebtedness for plant purposes through the disbursement of the funds for the retirement of indebtedness.

Another source of increases to both the asset accounts and the Net Investment in Plant account is the expenditure of current funds through operating budgets for furniture, furnishings, apparatus, office machines, and similar items of equipment. The amount of current funds so expended must be capitalized in the Equipment account and in the Net Investment in Plant account. The book value of equipment disposed of during the year must be removed from the same accounts.

AGENCY FUNDS

The responsibilities of a college or university for the management, accounting, and reporting for agency funds are only that of a fiscal agent. The funds are not the property of the institution; therefore, reports on the transactions of such funds should be only reports of stewardship to the organizations or agencies of which the agency funds are the property.

CHAPTER VII

AUXILIARY ENTERPRISES, ORGANIZED EDUCATIONAL ACTIVITIES, AND SERVICE DEPARTMENTS

Within many institutions there are three classifications of service activities that charge for the services they render and for whose effective management direct comparisons of revenues and expenditures are necessary.

An auxiliary enterprise is an entity that exists to furnish a service to students, faculty, or staff, and that charges at a rate directly related, but not necessarily equal, to the cost of the service. The general public may be served incidentally by some auxiliary enterprises.

An organized educational activity is an entity that exists to provide an instructional or laboratory experience for students and that incidentally creates goods or services that may be sold. In the course of providing the incidental goods or services, expenditures are incurred in addition to those necessary solely for the educational benefits of the students.

A service department is an entity that provides to the various divisions of an institution services that might be purchased from commercial sources, but that, for reasons of convenience, cost, or control, are more effectively provided through a unit of the institution. Charges are determined by the costs.

Examples of auxiliary enterprises are residence halls, food services, student stores, and rental housing. Typical of organized activities are demonstration schools, college theaters, hotels operated in connection with instruction of students in the institutional administration curriculum, and stores that sell the products of experimental farms. Service departments include central duplicating services, motor pools, stenographic pools, and instrument-making, glassblowing, and machine shops.

The classification of some activities among the three categories may vary from institution to institution, reflecting differences in the purposes for which they exist. For instance, at institutions where gate receipts are sizeable, intercollegiate athletics should be classified as an auxiliary enterprise; where gate receipts are negligible and the athletic program is primarily intended for student participation rather than spectator entertainment, intercollegiate athletics may be classified as an organized activity; where there are no gate receipts, it should be a separately identified section of the budget for the department of physical education. Another example of variation in classification is the central duplicating service, which usually is a service department, but might be classified as an organized activity if it is operated as a practical laboratory for students majoring in printing technology.

AUXILIARY ENTERPRISES

Auxiliary enterprises are related to the educational objectives of colleges and universities and contribute significantly to the achievement of those objectives. The specific functions to be performed by each auxiliary enterprise should be defined by those responsible for determining institutional policy. In

determining management policies, both the extent of the activity's contribution to educational and other objectives and the extent to which it can be self-supporting should be evaluated.

If auxiliary enterprises receive a subsidy, the accounting records and reports should disclose the amount and source. Similarly, if revenues exceed expenditures after provision for reserves and any debt service, the amount of excess and its disposition should also be disclosed. If a portion of the student activity fee is allocated to debt service of a particular auxiliary enterprise unit, the amount of the fee applied to current year debt service should be reflected as revenue of the auxiliary enterprise unit and the debt service reflected as an expense of the auxiliary enterprise unit.

Statements of Auxiliary Enterprises

The operations of auxiliary enterprises should be shown in the operating statements separately from the educational and general operations, and should be supported by detailed schedules of revenues and expenditures for each enterprise. Such statements are essential for internal use to ascertain the degree of self-support attained and to provide the basis for the exercise of controls. Separate balance sheets may be prepared but need not be published.

All revenues and expenditures of the enterprises should be entered in the accounts and included in the financial statements. Physical plant expenses such as routine repairs to buildings, equipment repairs, and minor equipment replacements, and property insurance should be entered as operating expenditures.

If it is desirable to provide annually out of any excess revenues for major renewals and replacements of equipment, for major repairs and maintenance to buildings, and for additional furniture and equipment, above current annual contractual requirements, such provisions should consist of transfers of the respective enterprises and the transfer of current funds cash or other assets to the plant funds subgroup Funds for Retirement of Indebtedness and for Renewals and Replacements. Expenditures for replacements of equipment and for major maintenance to buildings are to be reported as expenditures of the auxiliary enterprise unit, and the required funds transferred from Funds for Renewals and Replacements.

If the policy is to accrue funds for replacement, the annual amounts should be entered as transfers of the given enterprise, and cash or other liquid assets should be transferred to the Funds for Retirement of Indebtedness and for Renewals and Replacements subgroup of the plant funds.

Residence Halls

The management of residence halls has both business and educational aspects. Close cooperation between student personnel and business officers is especially important in the development of budgets and of provisions for counseling and other student services.

The type, number, and frequency of operating reports needed will vary with local factors. Some of the more significant periodic reports to be prepared for the administrative offices concerned include: reports on occupancy; expenditures for repairs, custodial services, and utilities; and expense for counseling, student government activities, and other educational and student personnel programs.

Food Services

The primary function of the food services is to provide food that meets the institution's standards for quality, quantity, and cost. Management includes responsibility for all food-serving areas and activities including dining halls, lunch rooms, cafeterias, tea rooms, soda and snack bars, and catering services for conferences, meetings, student activities, public functions, and other events. Management of vending machines dispensing food products may lie with the food services or may, with other vending machines, be assigned elsewhere. Food services may be procured from contract caterers or management services.

College Unions

The union is an integral part of the institution's educational program, and its administrative organization should be coordinated with the established academic, business, and general institutional procedures. It generally encompasses a program for the community life of the institution, including a general cultural-social-recreational program, experience in group leadership for students, and numerous services involving both physical facilities and organization and staff to administer the program and services. Typically it provides offices for student organizations, meeting rooms, lounges, browsing libraries, music rooms, art exhibition areas, craft shops, an auditorium or theater, facilities for dances, receptions, banquets, and other events for students, faculty, alumni, conferees, campus visitors, and guests.

For accounting purposes, if the union is financed primarily from general funds, it should be classified under student services. If the union is financed primarily by its revenue-producing activities--space rentals, billiard rooms, bowling lanes, guest rooms, sales and information desks, food service, student stores, barbershops, and the like--it should be classified as an auxiliary enterprise.

Student Stores

Student stores are operated by colleges and universities primarily to provide a convenient service to students, faculty, and staff members and thus are to be considered an essential educational service. In performing this function, student stores should stock textbooks, instruments, supplies, and materials required by students in their educational programs. Laboratory manuals, syllabi, and similar teaching aids prepared by members of the faculty and staff should be sold through the student store; for ethical and business reasons, direct sales of such items to students by academic departments or members of the faculty should not be permitted.

The student store is primarily a business operation and requires specialized and sound financial administration. Reports should include analyses of sales by major categories of stock, data on cost of goods sold, gross profits expressed as percentages of gross sales, and rates of inventory turnover.

Intercollegiate Athletics

The intercollegiate athletic program should be classified as an auxiliary enterprise when revenues are significant. If the program is considered a part

of instruction, it may be classified either as an organized activity or a separately identified part of the budget and financial operation of the department of physical education.

Vending Machines

Revenues from vending operations are general institutional revenues and should not be allocated automatically to the support of any one division, department, or activity. Vending operations conducted in connection with auxiliary enterprise operations will be reflected as part of the operation of the appropriate unit. Revenues from vending operations other than those related to auxiliary enterprise units will be reflected as miscellaneous current general fund revenue.

ORGANIZED EDUCATIONAL ACTIVITIES

Organized activities--laboratory schools and medical school hospitals may be examples--complement the work of educational departments by providing program support for instruction and research. If an activity is conducted primarily for other than educational purposes, it should not be classified under this title. Organized activities may provide by-products or services that are available, for a charge, to students, faculty, and staff members, or to the general public.

If an organized activity is relatively small and its supervision is the incidental responsibility of regular instructional or research staff members, it need not be given separate or special accounting treatment. An organized activity whose operations are of major magniture should be shown in the financial reports separately from other organized activities. Even though its detailed accounting may be decentralized, for purposes of institutional control there should be central recording of revenues and expenditures.

Hospitals administered in connection with medical schools offer special problems in the classification and reporting of operations. If the purpose of the hospital is primarily to support the clinical years of instruction in the school of medicine, it should be classified as an organized activity. If, however, the hospital is managed by the institution primarily as a service to the public or to governmental bodies or agencies, it may be reported as a separate function on the reports, provided any instructional or research activities are segregated and properly reported in the appropriate function grouping.

SERVICE DEPARTMENTS

Service departments are units created to provide services that might be purchased from commercial sources, but are more economically and conveniently provided, and can be better controlled, by the institution. Examples are: scientific apparatus repair shops, glass-blowing shops, instrument-making shops, statistical and tabulating departments, addressograph and mailing services, secretarial pools, duplicating departments, office machine repair shops, laundries, photographic departments, printing shops, travel bureaus, audio-visual services, and motor pools.

CHAPTER VIII

OBJECT CODES

An object classification is a method of classifying expenditures according to that which is received in return for the expenditure, e.g., personal services, printing and stationery, travel, communications, food,fuel, utilities, repairs, equipment, etc. Each university should have its own list or classification of objects into which all expenditures are classed. Report Form 15 should give a complete breakdown of expenditures by object.

Report Form 14 requires that all expenditures be reported within five object classifications. Several object classifications used by a university might have to be combined to limit the objects to these five:

Salaries - Administrative
Salaries - Instructional
Salaries - Other
Supplies and Expense
Equipment and Other Capital Outlay

Salaries - Administrative Salaries paid for services rendered to employees in professional positions, other than "instructional," should be classified as administrative salaries. A sample listing of positions that would probably fall within this classification follows. Each institution must determine which of its positions would be classified as administrative as opposed to "other" positions which are sometimes called "secretarial and supporting."

President
Vice President
Business Manager
Auditor
Accountant
Advisor
Assistant Administrative Deans
Non-Teaching Coach
Administrative Deans
Director of Finance
Director of Security
Editor
Engineer
Graduate Assistant in Administrative Areas
Non-Teaching Librarian
Nurse
Photographer
Physician
Purchasing Agent
Registrar
Superintendent of Maintenance

Salaries - Instructional Salaries paid for services rendered to employees in professional instructional positions should be classified in this group. A

sample listing of positions that would probably fall within this classification follows:

Academic Dean
Professor
Associate Professor
Assistant Professor
Instructor
Lecturer
Laboratory Assistant
Professional Librarian
Teaching Coach
Graduate Teaching Assistant
Kindergarten Principal
Kindergarten Teacher

Salaries - Other All salaries paid for services rendered other than those paid to the professional administrative and instructional staff should be classified in this group. These persons would be covered by the wage-hour laws as opposed to administrative and instructional positions which would probably be exempt from the provisions of that law. A sample listing of positions that would probably fall within this classification follows:

Accounting Clerk
Apprentice
Brick Mason
Buyer
Carpenter
Admission Clerk
Mail Clerk
Draftsman
Office Manager
Cardpunch Operator
Photographer
Computer Programmer
Storekeeper
Building Superintendent
Shop Supervisor
Engineering Technician
Floor Counselors
Student Assistants

Supplies and Expense All expenditures not properly classified as one of the other five programs should be included in this group. Examples of object expenditures that would fit this classification are:

Supplies
Telephone
Maintenance and Repairs
Stipend Payments

Equipment and Other Capital Outlay

Equipment Movable property of a permanent nature is usually classified as equipment. Each university is expected to establish and use a definition by which

items will be classified equipment based on minimum standards for cost of each unit, probable life, material, and size. The cost of these items would be reported in this group.

Other Capital Outlay Land, buildings, improvements other than buildings, library books, and livestock purchases would be reported in this group. A separate report should be prepared by departmental detail for Capital Outlay other than Equipment. Since these items will not occur frequently, a separate schedule will be an easier means of providing this data.

CHAPTER IX

REPORTING

Uniform principles and procedures in budgeting and financial reporting for institutions of higher education must be used to effectively evaluate their financial needs and status. One of the purposes of this manual is to set forth principles and procedures which facilitate the preparation of reports giving comparability among institutions for the use of governing boards, state agencies, the legislature, and other interested parties.

Budgets - Unrestricted and Auxiliary Enterprise Funds

Institutional budgets are usually presented to governing boards and state agencies in April or May. As a part of the yearly budget presentation or as supplementary schedules to the budget, each institution should submit the following: (1) Summary of Current Funds Available and Applied; (2) Schedule of Unrestricted Fund Balances at the Beginning of the Fiscal Period; (3) Current Fund Revenues; (4) Current Fund Expenditures; and (5) Schedule of Unrestricted Fund Balances at the End of the Fiscal Period. The classification of budgeted current fund revenues and expenditures are comparable to revenues and expenditures reported in the June 30 financial report. Each budget schedule will contain information for the following periods of time: Past Year Actual, Current Year Original Budget, Current Year Estimates As of This Date, and Next Year Estimates. As a review of the budget process and to more effectively evaluate the institution's current and estimated financial condition, each institution will submit in November similar reports as of October 31. Three fiscal years' data will be reported on the April or May budget schedule and two fiscal years' data on the October 31 report. See Appendix B for the format to be used in submitting this data. Institutions are expected to report internal changes in the budget. For the fiscal year 1970-71 institutions will be required to budget only the following fund groups: Unrestricted Current Funds, Restricted Current Funds, and Auxiliary Enterprise Funds. Required budgets after the year 1970-71 will include a projection of estimated additions and deductions to Plant Funds including the Unexpended Plant Fund and Retirement of Indebtedness and Renewals and Replacements Fund.

Budgets - Restricted Funds

Institutions are not expected to budget restricted funds in detail. Information on restricted funds should be budgeted as follows: Instruction and Departmental Research, totals by divisions or colleges, all other functional classifications can be budgeted by a total for each functional classification. For example, Organized Research, Extension and Public Service, Libraries, etc. The formats (Appendix B) used in budgeting Unrestricted and Auxiliary Enterprise Funds are to be used also for budgeting Restricted funds.

Year-End Financial Reports

Requirements for submitting a year-end financial report are illustrated in detail in Appendix A. The formats for these reports follow basically the principles, procedures, and forms found in College and University Business Administration.

Interpretations

In preparing this manual questions have been asked concerning the classifications and procedures for recording specific items. A review of some of the more important questions may be helpful.

(1) College work study funds are to be reported within student aid funds as a function and not allocated to individual departments as object expenditures.

(2) Staff benefits are to be reported as a function and not as an object expenditure.

(3) Those institutions which desire to keep a fund entity for auxiliary funds may do so, but those which do not prefer to keep a separate fund entity may report auxiliary fund assets and liabilities with current unrestricted funds; however, they must segregate auxiliary fund balances.

(4) The use of the terms allocated or unallocated fund balances are preferred to the term "reserves."

(5) Valuation of inventories for library books and the method of costing of library books will be left to the institution. The institution should indicate its method of valuation and cost allocation, and consistently maintain this method.

All changes in accounting, classifying, and reporting procedures stated in this manual will be carefully reviewed by the Department of Finance and Administration, Comptroller of the Treasury, and the Higher Education Commission. Any exception will be circulated to all institutions, governing boards, and state agencies. Questions should be addressed to:

Dr. Jerry H. Rust, Jr.
Associate Director for Fiscal Affairs
Tennessee Higher Education Commission
507 State Office Building
Nashville, Tennessee 37219

Please maintain all approved exceptions as a part of this manual of procedures.

APPENDIX A

APPENDIX A

ILLUSTRATIVE FORMS FOR ANNUAL FINANCIAL REPORTS

Form Number	Report
	PRIMARY STATEMENTS:
1	Balance Sheet
2	Statement of Current Funds Revenues, Expenditures, and Transfers
3	Statement of Changes in Fund Balances - Unrestricted Current Funds
4	Statement of Changes in Fund Balances - Restricted Current Funds
5	Statement of Changes in Fund Balances - Auxiliary Enterprise Funds
6	Statement of Changes in Fund Balances - Loan Funds
7	Statement of Changes in Fund Balances - Endowment and Similar Funds
8	Statement of Changes in Fund Balances - Life Income Funds
9	Statement of Changes in Fund Balances - Unexpended Plant Funds
10	Statement of Changes in Fund Balances - Funds for Retirement of Indebtedness and for Renewals and Replacements
11	Statement of Changes in Net Investment in Plant
12	Statement of Changes in Fund Balances - Agency Funds
	SUPPORTING SCHEDULES:
13	Schedule of Current Funds Revenues
14	Schedule of Current Funds Expenditures by Function
15	Schedule of Current Funds Expenditures by Object
16	Schedule of Balances in Unrestricted Current Funds
17	Schedule of Changes in Fund Balances - Restricted Current Funds
18	Schedule of Changes in Fund Balances - Loan Funds
19	Schedule of Changes in Fund Balances - Endowment and Similar Funds
20	Schedule of Changes in Fund Balances - Life Income Funds
21	Schedule of Changes in Fund Balances - Unexpended Plant Funds
22	Schedule of Changes in Fund Balances - Funds for Retirement of Indebtedness and for Renewals and Replacements
23	Schedule of Changes in Investment in Plant
24	Schedule of Changes in Fund Balances - Agency Funds
25	Schedule of Revenues and Expenditures - Intercollegiate Athletics
26	Schedule of Revenues and Expenditures - Residence Halls
27	Schedule of Revenues and Expenditures - Faculty Housing
28	Schedule of Revenues and Expenditures - Food Services
29	Schedule of Revenues and Expenditures - College Union
30	Schedule of Revenues and Expenditures - Student Store
31	Schedule of Investments by Fund Groups
32	Schedule of Long-Term Notes and Bonds Payable

FORM 1

BALANCE SHEET

PURPOSE: To reflect in statement form the financial position of the university and of the funds for which it is responsible at the end of the fiscal year.

COMMENTS: The financial position of all funds are to be presented in this one statement. Each fund should be presented in a balanced grouping with Assets on the left and Liabilities and Fund Balances on the right. The asset, liability, and fund balances headings shown on the sample report form should be used if possible. Funds must be grouped and reported by the fund groupings shown if the university has responsibility for that type fund.

In the Current Funds group, the balances of Unrestricted Funds, Restricted Funds, and Auxiliary Enterprise Funds must appear separately, even though the assets and liabilities of Unrestricted Current Funds and Auxiliary Enterprise Funds may be combined.

Form 1 illustrates the complete separation of Auxiliary Enterprise Funds from Current Unrestricted Funds. Form 1A illustrates the combining of the assets of Unrestricted Current and Auxiliary Enterprise Funds. An institution may follow either form; however, the balances of the two fund groups must be reported separately regardless of which form is used.

If an institution has Life Income Funds, they must be reported as a separate fund group from the Endowment and Similar Funds.

If an institution has Funds for Renewals and Replacements, they may be reported as a separately balanced subgroup of the Funds for Retirement of Indebtedness and for Renewals and Replacements.

FORM 1

BALANCE SHEET
June 30____

ASSETS		LIABILITIES AND FUND BALANCES		
CURRENT FUNDS:		CURRENT FUNDS:		
Unrestricted		Unrestricted		
Cash		Accounts payable		$
Cash on Hand	$	Accrued salaries		
Petty Cash on Hand		Deferred income		
With State Treasurer		Student deposits		
In bank accounts		Due to other funds (detail)		
In savings accounts		Fund balances		
Certificates of Deposit		Allocation for encumbrances	$	
Investments, at cost		Allocation for working capital		
Accounts receivable		Allocation for impoundment		
Inventories, at lower of cost or market		Special allocation (detail)		
Prepaid expenses and deferred charges		Unallocated balance		
Due from other funds (detail)				
Total Unrestricted Current Funds	$	Total Unrestricted Current Funds		$
Restricted		Restricted		
Cash		Accounts payable		$
Cash on Hand	$	Due to other funds (detail)		
Petty Cash on Hand		Fund balances		
With State Treasurer				
In bank accounts				
In savings accounts				
Certificates of Deposit				
Investments, at cost				
Accounts receivable				
Due from other funds (detail)				
Total Restricted Current Funds	$	Total Restricted Current Funds		$

FORM 1 (cont.)

ASSETS		LIABILITIES AND FUND BALANCES		
Auxiliary Enterprises		Auxiliary Enterprises		
Cash		Accounts payable		$
Cash on Hand	$	Accrued salaries		
With State Treasurer		Deferred income		
In bank accounts		Due to other funds (detail)		
In savings accounts		Fund balances		
Investments at cost		Allocation for encumbrances	$	
Accounts receivable		Allocation for working capital		
Inventories, at lower of cost or market		Unallocated balance		
Prepaid expenses and deferred charges				
Due from other funds (detail)				
Total Auxiliary Enterprise Funds	$	Total Auxiliary Enterprise Funds		$
TOTAL CURRENT FUNDS	$	TOTAL CURRENT FUNDS		$
LOAN FUNDS:		LOAN FUNDS:		
Cash		Due to other funds (detail)		$
Cash on Hand	$	Fund balances		
With State Treasurer				
In bank accounts				
In savings accounts				
Investments, at cost				
Notes receivable				
Due from other funds (detail)				
TOTAL LOAN FUNDS	$	TOTAL LOAN FUNDS		$

FORM 1 (cont.)

ASSETS		LIABILITIES AND FUND BALANCES	
ENDOWMENT AND SIMILAR FUNDS:		ENDOWMENT AND SIMILAR FUNDS:	
Cash		Due to other funds (detail)	$
Cash on Hand	$	Fund balances	
With State Treasurer			
In bank accounts			
In savings accounts			
Investments, at cost			
Due from other funds (detail)			
TOTAL ENDOWMENT AND SIMILAR FUNDS	$	TOTAL ENDOWMENT AND SIMILAR FUNDS	$
LIFE INCOME FUNDS:		LIFE INCOME FUNDS:	
Cash		Due to other funds (detail)	$
Cash on Hand	$	Fund balances	
With State Treasurer			
In bank accounts			
In savings accounts			
Investments, at cost			
Due from other funds (detail)			
TOTAL LIFE INCOME FUNDS	$	TOTAL LIFE INCOME FUNDS	$

FORM 1 (cont.)

ASSETS		LIABILITIES AND FUND BALANCES	
PLANT FUNDS:		PLANT FUNDS:	
Unexpended Plant Funds		Unexpended Plant Funds	
Cash		Accounts payable	$
Cash on Hand	$	Temporary loans payable (to be prepaid from unexpended plant funds)	
With State Treasurer		Due to other funds (detail)	
State Bond funds		Fund balances	
Bond Authority funds			
In bank accounts			
In savings accounts			
Investments, at cost			
Loans receivable			
State School Bond Authority			
Other sources			
Federal grants receivable			
Other assets (detail)			
Due from other funds (detail)			
Total Unexpended Plant Funds	$	Total Unexpended Plant Funds	$
Funds for Retirement of Indebtedness and for Renewals and Replacements		Funds for Retirement of Indebtedness and for Renewals and Replacements	
Cash		Due to other funds (detail)	$
Cash on Hand	$	Fund balances	
With State Treasurer			
In bank accounts			
In savings accounts			
Deposited with trustees			
Investments, at cost			
Due from other funds (detail)			
Total Funds for Retirement of Indebtedness and for Renewals and Replacements	$	Total Funds for Retirement of Indebtedness and for Renewals and Replacements	$

FORM 1 (cont.)

ASSETS		LIABILITIES AND FUND BALANCES	
Invested in Plant		Invested in Plant	
Land, at cost	$	Notes payable	$
Buildings, at cost		Bonds payable	
Improvements other than buildings, at cost		Amounts received and spent from State School Bond Authority for which bonds have not been issued	
Equipment, at cost		Net invested in plant	
Library books			
Livestock, at market			
Total Invested in Plant	$	Total Invested in Plant	$
TOTAL PLANT FUNDS	$	TOTAL PLANT FUNDS	$
AGENCY FUNDS:		AGENCY FUNDS:	
Cash		Due to other funds (detail)	$
Cash on Hand	$	Fund balances	
With State Treasurer			
In bank accounts			
In savings accounts			
Investments, at cost			
Due from other funds (detail)			
TOTAL AGENCY FUNDS	$	TOTAL AGENCY FUNDS	$

FORM 1A

BALANCE SHEET
June 30, ___

ASSETS		LIABILITIES AND FUND BALANCES	
CURRENT FUNDS:		CURRENT FUNDS:	
Unrestricted & Auxiliary Enterprises		Unrestricted & Auxiliary Enterprise Liabilities	
Cash		Accounts payable	$
Cash on Hand	$	Accrued salaries	
Petty Cash on Hand		Deferred income	
With State Treasurer		Student deposits	
In bank accounts		Due to other funds (detail)	
In savings accounts		Fund balances	
Certificates of Deposit		Unrestricted	
Investments, at cost		Allocation for encumbrances	
Accounts receivable		Allocation for working capital	
Inventories, at lower of cost or market		Allocation for impoundment	
Prepaid expenses and deferred charges		Special allocation (detail)	
Due from other funds (detail)		Unallocated balance	
		Total Unrestricted Balance	$
		Auxiliary Enterprises - Fund Balances	
		Allocation for encumbrances	
		Allocation for working capital	
		Unallocated balance	
		Total Auxiliary Enterprises Fund Balances	$
Total Unrestricted & Auxiliary Enterprise Funds	$	Total Unrestricted & Auxiliary Enterprise Funds	$

FORM 1A (cont.)

ASSETS		LIABILITIES AND FUND BALANCES	
Restricted		Restricted	
Cash		Accounts payable	$
Cash on Hand	$	Due to other funds (detail)	
Petty Cash on Hand		Fund balances	
With State Treasurer			
In bank accounts			
In savings accounts			
Certificates of Deposit			
Investments, at cost			
Accounts receivable			
Due from other funds (detail)			
Total Restricted Current Funds	$	Total Restricted Current Funds	$
TOTAL CURRENT FUNDS	$	TOTAL CURRENT FUNDS	$

FORM 2

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND TRANSFERS

PURPOSE: To present a summary of the financial activity of the current funds of the university for the fiscal year.

COMMENTS: Details of revenues and expenditures are reported in the Schedule of Current Funds Revenues and Schedule of Current Funds Expenditures by Function. Summary figures from those schedules are reported in this statement. The classifications shown are intended to be broad enough to cover all revenues and expenditures. Such things as "land purchases" and material disbursements for "capital outlay other than departmental" should be reported as a transfer from Unrestricted Current Funds to Unexpended Plant Funds and as an expenditure from Unexpended Plant Funds.

FORM 2

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND TRANSFERS
for the Year Ended June 30, _____

	Unrestricted	Restricted	Total
REVENUES:			
Educational and General:			
Student Fees	$	$	$
Other Student Charges			
Governmental Appropriations--Federal			
Governmental Appropriations--State			
Governmental Appropriations--Local			
Endowment Income			
Gifts and Grants			
Sponsored Research			
Other Separately Budgeted Research			
Other Sponsored Programs			
Recovery of Indirect Costs			
Sales and Services of Educational Departments			
Organized Educational Activities			
Other Sources			
TOTAL EDUCATIONAL AND GENERAL	$	$	$
Student Aid			
Auxiliary Enterprises			
TOTAL REVENUES	$	$	$
EXPENDITURES:			
Educational and General:			
Instruction and Departmental Research	$	$	$
Organized Educational Activities			
Sponsored Research			
Other Separately Budgeted Research			
Other Sponsored Programs			
Extension and Public Service			
Libraries			
Student Services			
Operation and Maintenance of Physical Plant			
General Administration			
Staff Benefits			
General Institutional Expenses			
TOTAL EDUCATIONAL AND GENERAL	$	$	$
Student Aid			
Auxiliary Enterprises			
TOTAL EXPENDITURES	$	$	$
TRANSFERS:			
From Unrestricted Funds:			
To Restricted Current Funds	$	$	$
To Unexpended Plant Funds			
To Retirement of Indebtedness and Renewal and Replacement Funds			
From Auxiliary Enterprises Funds:			
To Unexpended Plant Funds			
To Retirement of Indebtedness and Renewal and Replacement Funds			
TOTAL TRANSFERS	$	$	$
EXCESS OF REVENUES OVER EXPENDITURES AND TRANSFERS	$	$	$

FORM 3

STATEMENT OF CHANGES IN FUND BALANCES--UNRESTRICTED CURRENT FUNDS

PURPOSE: To report the balance of Unrestricted Current Funds on hand at the beginning and end of the fiscal year and the changes in these funds during the year.

COMMENTS: Unallocated balances refer to that part of the balance of unrestricted current funds that has not been set aside for any specific purpose. It is the free and unassigned balance of unrestricted current funds available for allocation to future operating purposes or for other legal uses designated by the governing board. It is shown on the Balance Sheet as Unallocated Balance.

Allocated balances refers to that part of the balance of unrestricted current funds that has been set aside for a specific purpose. These balances appear on the Balance Sheet as "Allocated Balances."

FORM 3

STATEMENT OF CHANGES IN FUND BALANCES
UNRESTRICTED CURRENT FUNDS
for the Year Ended June 30, _____

	Total	Unallocated	Allocated
BALANCE JULY 1, _____	$	$	$
ADDITIONS:			
Excess of revenues over expenditures and transfers	$	$	
Transferred from Auxiliary Enterprise Funds to be used for unrestricted program			
TOTAL ADDITIONS	$	$	$
TOTAL BALANCE AND ADDITIONS	$	$	$
DEDUCTIONS:			
Transferred to Auxiliary Enterprise Funds the balances on hand July 1, _____	$	$	$
Transferred to Unexpended Plant Funds			
TOTAL DEDUCTIONS	$	$	$
TRANSFERS BETWEEN UNALLOCATED AND ALLOCATED:			
Amounts included in current expenditures on projects for which funds had previously been allocated		$	$
Allocations for specific future operating purposes			
TOTAL TRANSFERS BETWEEN UNALLOCATED AND ALLOCATED		$	$
BALANCE JUNE 30, _____	$	$	$

FORM 4

STATEMENT OF CHANGES IN FUND BALANCES--RESTRICTED CURRENT FUNDS

PURPOSE: To report the balance of Restricted Current Funds on hand at the beginning and end of the fiscal year and the changes in these funds during the year.

COMMENTS: These funds are expendable for operating purposes but restricted by an outside agency or person as to use, as distinguished from Unrestricted Current Funds which are available for any current purpose.

FORM 4

STATEMENT OF CHANGES IN FUND BALANCES
RESTRICTED CURRENT FUNDS
for the Year Ended June 30, _____

	Total	Educational and General	Student Aid	Auxiliary Enterprises
BALANCES JULY 1, _____	$	$	$	$
ADDITIONS:				
Gifts & Grants	$	$	$	$
Endowment income				
Sponsored research				
Other sponsored programs				
Transfers from other funds (detail)				
Other sources (detail)				
TOTAL ADDITIONS	$	$	$	$
TOTAL BALANCE AND ADDITIONS	$	$	$	$
DEDUCTIONS:				
Refunds to grants	$	$	$	$
Indirect cost recoveries on sponsored programs transferred to Current Funds Revenue				
Education allowances and unspent non-refundable balances of sponsored programs transferred to Current Funds Revenues				
Expenditures				
TOTAL DEDUCTIONS	$	$	$	$
BALANCES JUNE 30, _____	$	$	$	$

FORM 5

STATEMENT OF CHANGES IN FUND BALANCES--AUXILIARY ENTERPRISE FUNDS

PURPOSE: To report the balance of Auxiliary Enterprise Funds on hand at the beginning and end of the fiscal year and the changes in the funds during the year.

COMMENTS: An auxiliary enterprise is an entity that exists to furnish a service to students, faculty, or staff, and which charges a fee that is directly related to, although not necessarily equal to, the cost of the service. The general public may incidentally be served in some auxiliary enterprises. Examples are: residence halls, food services, and student stores. Universities that have houses which are rented to faculty and others should report this an auxiliary enterprise.

All auxiliary enterprises are to be included in this group of funds. Detailed operating statement formats for various types of auxiliary enterprises are given and similar reports are required for "all" types.

Intercollegiate Athletics are classified as an Auxiliary Enterprise by Memphis State University but not by the other State Board of Education institutions. Memphis State University and The University of Tennessee should use the format shown in reporting on Intercollegiate Athletics.

FORM 5

STATEMENT OF CHANGES IN FUND BALANCES
AUXILIARY ENTERPRISES FUNDS
for the Year Ended June 30, _____

	Amount
BALANCES JULY 1, _____	$ _____
ADDITIONS:	
Excess of revenues over expenditures and transfers	$
Transfers of opening balances from Unrestricted Current Funds	
Other transfers from Unrestricted Current Funds	_____
TOTAL ADDITIONS	$ _____
TOTAL BALANCE AND ADDITIONS	$ _____
DEDUCTIONS:	
Excess of expenditures and transfers over revenues	$
Transfers to Unexpended Plant Funds	
Transfers to Unrestricted Current Funds	
Transfers to Funds for Retirement of Indebtedness and for Renewals and Replacements	_____
TOTAL DEDUCTIONS	$ _____
BALANCES JUNE 30, _____	$ _____

FORM 6

STATEMENT OF CHANGES IN FUND BALANCES--LOAN FUNDS

PURPOSE: To report major sources of income and expenditures and transfers comprising the changes in Loan Fund balances for the fiscal year.

COMMENTS: Loan funds established by the Federal Government should be shown separately from other loan funds.

Amounts needed from Unrestricted Current Funds for use as institutional matching funds should be reported as a transfer from the Unrestricted Current Funds to Loan Funds.

FORM 6

STATEMENT OF CHANGES IN FUND BALANCES
LOAN FUNDS
for the Year Ended June 30, _____

	Total	U.S. Government Loan Funds	University Loan Funds
BALANCES JULY 1, _____	$	$	$
ADDITIONS:			
Gifts	$	$	$
Endowment income			
Interest and investment income			
Transfers from Unrestricted Current Funds			
TOTAL ADDITION	$	$	$
TOTAL BALANCE AND ADDITIONS	$	$	$
DEDUCTIONS:			
Loan cancellations:	$	$	$
Teaching and nursing credits			
Death			
Bankruptcy			
Uncollectible notes written off			
Other (detail)			
TOTAL DEDUCTIONS	$	$	$
BALANCES JUNE 30, _____	$	$	$

FORM 7

STATEMENT OF CHANGES IN FUND BALANCES--ENDOWMENT AND SIMILAR FUNDS

PURPOSE: To report major sources of income and expenditures and transfers comprising the changes in Endowment and Similar Fund balances for the fiscal year.

COMMENTS: This report shall separate true Endowment Funds from Quasi Endowment Funds.

Life Income Funds should not be reported on this statement. When the beneficiaries of life income agreements die, the funds previously reported as Life Income Funds should be transferred to endowment or other appropriate funds.

FORM 7

STATEMENT OF CHANGES IN FUND BALANCES
ENDOWMENT AND SIMILAR FUNDS
for the Year Ended June 30, _____

	Total	Endowment Funds	Quasi Endowment Funds	Net Adjusted Gains & Losses
BALANCES JULY 1, _____	$	$	$	$
ADDITIONS:				
Gifts	$	$	$	$
Income added to principal				
Net gain on sales of securities				
Life Income funds upon death of beneficiary				
TOTAL ADDITIONS	$	$	$	$
TOTAL BALANCE AND ADDITIONS	$	$	$	$
DEDUCTIONS:				
Transfers to Unrestricted Current Funds of Quasi Endowment Funds	$	$	$	$
Expiration of Term Endowment				
TOTAL DEDUCTIONS	$	$	$	$
BALANCES JUNE 30, _____	$	$	$	$

FORM 8

STATEMENT OF CHANGES IN FUND BALANCES--LIFE INCOME FUNDS

PURPOSE: To report major sources of income and expenditures and transfers comprising the changes in the Life Income Funds.

COMMENTS: Life Income Funds are those funds acquired by an institution subject to an agreement whereby money or property is made available to an institution on the condition that the institution bind itself to pay periodically to the donor or other designated individual(s) the income earned by the assets donated to the institution for the lifetime of the donor or of the designated individual(s).

FORM 8

STATEMENT OF CHANGES IN FUND BALANCES
LIFE INCOME FUNDS
for the Year Ended June 30, _____

BALANCES JULY 1, _____	$
ADDITIONS:	
Gifts	$
Investment income	
Net Gains on Sales of Securities	
TOTAL ADDITIONS	$
TOTAL BALANCE AND ADDITIONS	$
DEDUCTIONS:	
Transferred to endowment funds upon death of beneficiary	$
Payments to beneficiaries	
Net Losses on sales of securities	
TOTAL DEDUCTIONS	$
BALANCES JUNE 30, _____	$

FORM 9

STATEMENT OF CHANGES IN FUND BALANCES--UNEXPENDED PLANT FUNDS

PURPOSE: To report major sources of income and expenditures and transfers comprising the changes in Unexpended Plant Funds for the fiscal year.

COMMENTS: Unexpended Plant Funds are funds specified by external sources or designated by governing boards for the acquisition or construction of physical properties to be used for institutional purposes.

Expenditures from Current Funds for major expansion or renewal programs shall be reported as transfers from the proper Current Funds grouping to Unexpended Plant Funds and reported as an expenditure from these latter funds.

Loans made with outside banks or agencies to be used for the acquisition of land, buildings and other physical properties should be reported as an addition to Unexpended Plant Funds and as an expenditure in the acquisition of the property.

The note or bond issued for notes should be reported as increase in Notes Payable or Bonds Payable in the Invested in Plant section and as a reduction in Net Invested in Plant.

FORM 9

STATEMENT OF CHANGES IN FUND BALANCES
UNEXPENDED PLANT FUNDS
for the Year Ended June 30, _____

BALANCES JULY 1, _____	$
ADDITIONS:	
State Appropriations	$
Loans from State School Bond Authority	
Federal Construction Grants	
Gifts & Grants	
Transferred from Unrestricted Current Funds	
Transferred from Auxiliary Enterprise Funds	
Other (detail)	
TOTAL ADDITION	$
TOTAL BALANCE AND ADDITIONS	$
DEDUCTIONS:	
Plant additions:	
Land	$
Buildings	
Equipment	
Other Improvements	
Other Expenditures	
Transferred to Funds for Retirement of Indebtedness	
Other (detail)	
TOTAL DEDUCTIONS	$
BALANCES JUNE 30, _____	$

FORM 10

STATEMENT OF CHANGES IN FUND BALANCES-- FUNDS FOR RETIREMENT OF INDEBTEDNESS AND FOR RENEWALS AND REPLACEMENTS

PURPOSE: To report major sources of income and expenditures and transfers comprising the changes in Funds for Retirement of Indebtedness and for Renewals and Replacements for the fiscal year.

COMMENTS: Net revenues over expenditures from operations of Auxiliary Enterprises that are transferred to Funds for Retirement of Indebtedness and for Renewals and Replacements should be reported as follows:

1. Statement of Current Funds Revenues, Expenditures, and Transfers. Amounts paid from current revenues not in excess of current debt service and/or renewals and replacements requirements are to be reported as expenditures. Excess revenues above current annual requirements that may be transferred to Funds for Retirement of Indebtedness and for Renewals and Replacements are to be reported as transfers.

2. Statement of Changes in Fund Balances--Fund for Retirement of Indebtedness and for Renewals and Replacements. Debt service and/or renewals and replacements requirements which were charged as expenditures of an Auxiliary Enterprise unit are to be reported as additions under "Auxiliary Enterprise Operations". Excess revenues of Auxiliary Enterprises that may be transferred will be reported as transfers.

3. Schedule of Revenues and Expenditures--Residence Halls (or other appropriate Auxiliary Enterprise). Debt service and/or renewals and replacements charges up to required annual amount as an expenditure; any excess amount will be shown as a transfer.

All payments for principal and interest must be reflected in the Funds for Retirement of Indebtedness.

FORM 10

STATEMENT OF CHANGES IN FUND BALANCES
FUNDS FOR RETIREMENT OF INDEBTEDNESS
AND FOR RENEWALS AND REPLACEMENTS
for the Year Endeded June 30, ____

	Funds for Retirement of Indebtedness	Funds for Renewals and Replacements	Total
BALANCES JULY 1, ____	$	$	$
ADDITIONS:			
State Appropriations	$	$	$
Provided from Auxiliary Enterprise Operations			
Transfers from Current Fund Revenues			
Transfers from Auxiliary Enterprise Funds			
Transfers from Unexpended Plant Funds			
Investment Income			
TOTAL ADDITIONS	$	$	$
TOTAL BALANCE AND ADDITIONS	$	$	$
DEDUCTIONS:			
Retirement of Bonds	$	$	$
Retirement of Notes			
Interest Payments			
Trustee Service Charges			
Expenditures for Renewals and Replacements			
Other (detail)			
TOTAL DEDUCTIONS	$	$	$
BALANCES JUNE 30, ____	$	$	$

FORM 11

STATEMENT OF CHANGES IN NET INVESTMENT IN PLANT

PURPOSE: To report major sources of increase and decrease comprising the changes in Investment in Plant during the fiscal year.

COMMENTS: Increases in the investment in plant occur when:

1. Current Funds are expended for equipment, library books, and livestock. Land and buildings could be reported as acquired from Restricted Current Fund research grants or contracts if ownership of the property passed to the University, but most such purchases would be reported as expenditures from Unexpended Plant Funds.
2. Unexpended Plant Funds are expended for plant renovations and expansion.
3. Renewal and Replacement Funds are used to buy furniture and other plant assets.
4. Notes and bonds payable guaranteed by physical plant assets are retired.

Decreases in the investment in plant occur when:

1. Plant assets are written off.
2. Plant assets are traded in.
3. Adjustments are made in book values.
4. Notes and bonds payable guaranteed by physical plant assets are issued.

FORM 11

STATEMENT OF CHANGES IN NET INVESTMENT IN PLANT
for the Year Ended June 30, _____

BALANCES JULY 1, _____		$
ADDITIONS:		
Purchases from Current Funds	$	
Less purchases for which the University does not retain title		$
Purchases from Unexpended Plant Funds		$
Purchases from Retirement of Indebtedness and Renewals and Replacements Funds		
Debt retired from Retirement of Indebtedness and Renewals and Replacements Funds		
Adjustments to previously recorded items (detail)		
TOTAL ADDITION		$
TOTAL BALANCES AND ADDITIONS		$
DEDUCTIONS:		
Disposals of plant facilities		$
Bonds and notes payable issued during the year including State School Bond Authority		
TOTAL DEDUCTIONS		$
BALANCES JUNE 30, _____		$

FORM 12

STATEMENT OF CHANGES IN FUND BALANCES--AGENCY FUNDS

PURPOSE: To report major sources of increases and decreases comprising the changes in Agency Funds on hand during the fiscal year.

COMMENTS: Agency Funds are funds received and held by an institution as custodian or fiscal agent for others; funds of student organizations, individual students, or faculty members.

The responsibilities of a college or university for the management, accounting, and reporting for agency funds are only that of a fiscal agent.

FORM 12

STATEMENT OF CHANGES IN FUND BALANCES
AGENCY FUNDS
for the Year Ended June 30, _____

BALANCES JULY 1, _____	$_____
ADDITIONS:	
Deposits made	$_____
TOTAL ADDITIONS	$_____
TOTAL BALANCE AND ADDITIONS	$_____
DEDUCTIONS:	
Disbursements	$_____
TOTAL DEDUCTIONS	$_____
BALANCES JUNE 30, _____	$_____

FORM 13

SCHEDULE OF CURRENT FUNDS REVENUES

PURPOSE: To report current funds revenues during the fiscal year in detail necessary for analysis and comparison.

COMMENTS: Current funds revenues should be reported on an accrual basis when they become due rather than when actually received. Student fees reported should be based on the number of hours for which students are enrolled and their residency classification.

FORM 13

SCHEDULE OF CURRENT FUNDS REVENUES
for the Year Ended June 30, _____

	Unrestricted	Restricted	Total
EDUCATIONAL AND GENERAL:			
Student Fees:			
Maintenance fees	$		$
Out-of-state tuition			
Total Student Fees	$		$
Other Student Charges:			
Student activity fees	$		$
Lab and music			
Graduation			
Application			
Pre-college counseling			
Examinations			
Transcripts			
Service fees			
I.D. fee			
Health fee			
Other			
Late registration			
Traffic fines			
Drop and add fines			
Library fines			
Returned check fines			
Other			
Total Other Student Charges	$		$
Appropriations:			
Federal (detail)	$		$
State (detail)			
Local (detail)			
Total Appropriations	$		$
Endowment Income	$		$
Gifts & Grants:			
Unrestricted	$		$
Restricted		$	
Total Gifts & Grants	$	$	$
Sponsored Research:			
Federal government agencies		$	$
State agencies			
Private sponsors			
Total Sponsored Research		$	$
Other Separately Budgeted Research (detail)	$		$
Other Sponsored Programs:			
Federal government agencies		$	$
State agencies			
Private sponsors			
Total Other Sponsored Programs		$	$

FORM 13 (cont.)

	Unrestricted	Restricted	Total
EDUCATIONAL AND GENERAL: (Cont.)			
Recovery of Indirect Costs	$		$
Sales and Services of Educational Departments (detail as appropriate)	$		$
Organized Educational Activities (detail as appropriate)	$		$
Other Sources:			
Interest Income On Invested Current Funds	$		$
Rent on Institutional Property			
Extension Enrollment Fees			
Miscellaneous			
Total Other Sources	$		$
TOTAL EDUCATIONAL AND GENERAL	$	$	$
STUDENT AID:			
Gifts		$	$
Endowment income			
College work study program			
Other sources			
TOTAL STUDENT AID		$	$
AUXILIARY ENTERPRISES:			
Intercollegiate athletics			$
Residence halls			
Faculty housing			
Food services			
College union			
Student store			
Other (detail)			
TOTAL AUXILIARY ENTERPRISES			$
TOTAL REVENUES	$	$	$

An addendum should be attached for those Student Charges and/or Fees which were not reported within this schedule. See Foreword, Page iii.

FORM 14

SCHEDULE OF CURRENT FUNDS EXPENDITURES BY FUNCTION

PURPOSE: To report current funds expenditures in sufficient detail to permit analysis by program and a limited analysis by purpose or object.

COMMENTS: The university's expense for staff benefits should be considered as function expenditures. Staff benefits for Auxiliary Enterprise personnel should be reported separately under Auxiliary Enterprises.

Professional salaries will be classified into administrative and instructional salaries by the detail information listed under each functional classification.

Equipment and Other Capital Outlay object expenditures have been combined; however, a separate report should be prepared for each accounting unit to identify Other Capital Outlay Expenditures.

FORM 14

SCHEDULE OF CURRENT FUNDS EXPENDITURES BY FUNCTION
for the Year Ended June 30, ____

				Expenditures by Purpose			
	Unrestricted	Restricted	Total	Professional Salaries	Other Salaries	Supplies and Expense	Equipment & Other Capital Outlay
EDUCATIONAL AND GENERAL:							
Instruction and Departmental Research:							
College of Arts and Sciences							
Administration	$	$	$	$	$	$	$
Art							
Biology							
Chemistry							
English							
History							
Journalism							
Etc.							
TOTAL COLLEGE OF ARTS AND SCIENCES	$	$	$	$	$	$	$
College of Business							
College of Education							
College of Engineering							
Graduate School							
Etc.							
TOTAL INSTRUCTION AND DEPARTMENTAL RESEARCH	$	$	$	$	$	$	$
Organized Educational Activities:							
Museum	$	$	$	$	$	$	$
Speech and Hearing Center							
Psychological testing center							
Creamery							

FORM 14 (cont.)

				Expenditures by Purpose			
	Unrestricted	Restricted	Total	Professional Salaries	Other Salaries	Supplies and Expense	Equipment & Other Capital Outlay
Nursery school							
Etc.							
TOTAL ORGANIZED EDUCATIONAL ACTIVITIES	$	$	$	$	$	$	$
Sponsored Research:							
College of Arts and Sciences							
Art	$	$	$	$	$	$	$
Biology							
Chemistry							
Journalism							
Etc.							
TOTAL COLLEGE OF ARTS AND SCIENCES	$	$	$	$	$	$	$
College of Business							
College of Education							
Etc.							
TOTAL SPONSORED RESEARCH	$	$	$	$	$	$	$
Other Separately Budgeted Research:							
Bureau of Public Administration	$	$	$	$	$	$	$
Bureau of Business and Economic Research							
Engineering Experiment Station							
Etc.							
TOTAL OTHER SEPARATELY BUDGETED RESEARCH	$	$	$	$	$	$	$

FORM 14 (cont.)

	Unrestricted	Restricted	Total	Expenditures by Purpose: Professional Salaries	Other Salaries	Supplies and Expense	Equipment & Other Capital Outlay
Other Sponsored Programs:							
Overseas programs: (detail)	$	$	$	$	$	$	$
Other programs: (detail)							
TOTAL OTHER SPONSORED PROGRAMS	$	$	$	$	$	$	$
Extension and Public Service:							
General Extension:							
Administration	$	$	$	$	$	$	$
Extension Office							
Conferences and workshops							
Etc.							
TOTAL GENERAL EXTENSION	$	$	$	$	$	$	$
Agricultural Extension Services:							
Administration	$	$	$	$	$	$	$
Extension information							
Etc.							
TOTAL AGRICULTURAL EXTENSION SERVICES	$	$	$	$	$	$	$
TOTAL EXTENSION AND PUBLIC SERVICE	$	$	$	$	$	$	$
Libraries:							
General	$	$	$	$	$	$	$
Business Administration							
Etc.							
TOTAL LIBRARIES	$	$	$	$	$	$	$

FORM 14 (cont.)

	Unrestricted	Restricted	Total	Expenditures by Purpose: Professional Salaries	Other Salaries	Supplies and Expense	Equipment & Other Capital Outlay
Student Services:							
Admissions and Records	$	$	$	$	$	$	$
Dean of Students							
Student Health Services							
Testing and Counseling							
Etc.							
TOTAL STUDENT SERVICES	$	$	$	$	$	$	$
Operation and Maintenance of Physical Plant:							
Administration	$	$	$	$	$	$	$
Custodial Services							
Etc.							
TOTAL	$	$	$	$	$	$	$
Less expenses allocated to Auxiliary Enterprises and Organized Educational Activities							
TOTAL OPERATION AND MAINTENANCE OF PHYSICAL PLANT	$	$	$	$	$	$	$
General Administration:							
President	$	$	$	$	$	$	$
Vice President for Business Affairs							
Dean of Faculty							
Legal Counsel							
Etc.							
TOTAL GENERAL ADMINISTRATION	$	$	$	$	$	$	$

FORM 14 (cont.)

	Unrestricted	Restricted	Total	Expenditures by Purpose: Professional Salaries	Other Salaries	Supplies and Expense	Equipment & Other Capital Outlay
Staff Benefits (may be reported in total or in detail as shown on Form 15, Object Code 2)	$	$	$	$	$	$	$
TOTAL STAFF BENEFITS	$	$	$	$	$	$	$
General Institutional Expenses:							
Alumni office	$	$	$	$	$	$	$
Auditing office							
Bulletins and catalogs							
Commencement							
Memberships							
Public Relations							
Payments to retired persons							
Purchasing office							
Etc.							
TOTAL GENERAL INSTITUTIONAL EXPENSES	$	$	$	$	$	$	$
TOTAL EDUCATIONAL AND GENERAL	$	$	$	$	$	$	$
STUDENT AID:							
Scholarships (including State Board of Education Scholarships)	$	$	$	$	$	$	$
Fellowships							
Prizes and Awards							
C.W.S.P. (detail)							
Other							
TOTAL STUDENT AID	$	$	$	$	$	$	$
AUXILIARY ENTERPRISES:							
Intercollegiate Athletics	$	$	$	$	$	$	$
Residence Halls							

FORM 14 (cont.)

	Unrestricted	Restricted	Total	Expenditures by Purpose: Professional Salaries	Other Salaries	Supplies and Expense	Equipment & Other Capital Outlay
Faculty Housing							
Food Services							
University Union							
Student Store							
Staff Benefits							
Other (detail)							
TOTAL AUXILIARY ENTERPRISES	$	$	$	$	$	$	$
TOTAL CURRENT FUNDS EXPENDITURES	$	$	$	$	$	$	$

FORM 15

SCHEDULE OF CURRENT FUNDS EXPENDITURES BY OBJECT

PURPOSE: To report current funds expenditures in detail by object code.

COMMENTS: Report all object codes used by the University.

FORM 15

SCHEDULE OF CURRENT FUNDS EXPENDITURES BY OBJECT
for the Year Ended June 30, _____

Following is a recommended list of object expenditures which adheres to the state object expenditure classification yet recognizes those personal service detail expenditures which are unique with educational institutions.

Object		Amount
01	Personal Services 0101 - Administrative Salaries & Wages 0102 - Instructional Salaries & Wages 0103 - Clerical & Supporting Salaries & Wages 0104 - Other Salaries & Wages	$
02	Staff Benefits 0201 - State Retirement 0202 - Teacher Retirement 0203 - T.I.A.A. - C.R.E.F. 0204 - F.I.C.A. 0205 - Other Retirement Payments to or for Retired Persons 0206 - Insurance - Health, Accident, Life and all other personal or family insurance plans.	
03	Travel	
04	Printing, Duplicating & Binding	
05	Utilities & Fuel	
06	Communication	
07	Maintenance, Repairs and Service	
08	Professional Services & Dues	
09	Supplies & Materials	
10	Rentals & Insurance	
11	Motor Vehicle Operation	
12	Awards & Indemnities	
13	Grants & Subsidies	
14	Unclassified	
15	Stores for resale	
16	Equipment	
17	Land	
18	Purchase of Buildings	
19	Site Development & Improvement	
20	Construction	
31	Retirement of Debt	
32	Interest on Debt	
	TOTAL CURRENT FUNDS EXPENDITURES	$

FORM 16

SCHEDULE OF BALANCES IN UNRESTRICTED CURRENT FUNDS

PURPOSE: To list in detail the balances in Unrestricted Current Funds as reported on the Balance Sheet.

COMMENTS: None.

FORM 16

SCHEDULE OF BALANCES IN UNRESTRICTED CURRENT FUNDS
June 30, ____

	Amount
ALLOCATION FOR ENCUMBRANCES:	
Equipment Purchase Orders	$
Other:	
(Detail)	
TOTAL ALLOCATION FOR ENCUMBRANCES	$
ALLOCATION FOR WORKING CAPITAL:	
Petty Cash	$
Accounts Receivable	
Inventories	
TOTAL ALLOCATION FOR WORKING CAPITAL	$
ALLOCATION FOR IMPOUNDMENT:	
Impoundment for Following Year	$
SPECIAL ALLOCATIONS:	
(Detail)	$
TOTAL SPECIAL ALLOCATIONS:	$
AUXILIARY ENTERPRISES BALANCES:	
Bookstore	$
Dining Halls	
Residence Halls	
Other:	
(Detail)	
TOTAL AUXILIARY ENTERPRISES BALANCE	$
UNALLOCATED BALANCE	$
TOTAL	$

FORM 17

SCHEDULE OF CHANGES IN FUND BALANCES--RESTRICTED CURRENT FUNDS

PURPOSE: To report the beginning and ending balances and all changes during the fiscal year in detail for all Restricted Current Funds.

COMMENTS: The totals from this report should be used in preparing the Statement of Changes in Fund Balance--Restricted Current Funds.

FORM 17

SCHEDULE OF CHANGES IN FUND BALANCES-RESTRICTED CURRENT FUNDS
for the Year Ended June 30, ____

	Purpose	Balances July 1, ____	Additions: Gifts	Additions: Endowment Income	Additions: Other (Footnote)	Deductions: Refunds to Grantors	Deductions: Indirect Cost Recoveries	Deductions: Expenditures	Deductions: Other (Footnote)	Balances June 30, ____
EDUCATIONAL AND GENERAL:										
Instruction and Departmental Research:										
College of Arts and Sciences:										
N.S.F. Grant GY9804 (List each restricted fund by department for each organizational unit and classification)	Art Department Equipment	$	$	$	$	$	$	$	$	$
TOTAL COLLEGE OF ARTS AND SCIENCES		$	$	$	$	$	$	$	$	$
College of Business		$	$	$	$	$	$	$	$	$
Etc.										
TOTAL INSTRUCTION AND DEPARTMENTAL RESEARCH		$	$	$	$	$	$	$	$	$
Organized Educational Activities		$	$	$	$	$	$	$	$	$
Sponsored Research										
Other Sponsored Programs										
Extension and Public Service										
Libraries										
Student Services										
Operation and Maintenance of Physical Plant										
General Administration										
Staff Benefits										
General Institutional Expenses										
TOTAL EDUCATIONAL AND GENERAL		$	$	$	$	$	$	$	$	$

FORM 17 (cont.)

	Purpose	Balances July 1, ___	Additions: Gifts	Additions: Endowment Income	Additions: Other (Footnote)	Deductions: Refunds to Grantors	Deductions: Indirect Cost Recoveries	Deductions: Expenditures	Deductions: Other (Footnote)	Balances June 30, ___
STUDENT AID:										
Scholarships:										
General:										
Educational Opportunity Grant	General	$	$	$	$	$	$	$	$	$
Foundations	General									
Etc.										
TOTAL GENERAL SCHOLARSHIPS		$	$	$	$	$	$	$	$	$
College of Arts and Sciences		$	$	$	$	$	$	$	$	$
Etc.										
TOTAL SCHOLARSHIPS		$	$	$	$	$	$	$	$	$
Fellowships:										
College of Arts and Sciences:										
Goodyear Fellowship	Chemistry	$	$	$	$	$	$	$	$	$
Etc.										
TOTAL COLLEGE OF ARTS AND SCIENCES		$	$	$	$	$	$	$	$	$
College of Business		$	$	$	$	$	$	$	$	$
Etc.										
TOTAL FELLOWSHIPS		$	$	$	$	$	$	$	$	$
Prizes and Awards:										
College of Arts and Sciences:										
Better English Award	English	$	$	$	$	$	$	$	$	$
Etc.										
TOTAL COLLEGE OF ARTS AND SCIENCES		$	$	$	$	$	$	$	$	$

FORM 17 (cont.)

	Purpose	Balances July 1, ____	Additions: Gifts	Additions: Endowment Income	Additions: Other (Footnote)	Deductions: Refunds to Grantors	Deductions: Indirect Cost Recoveries	Deductions: Expenditures	Deductions: Other (Footnote)	Balances June 30, ____
College of Business Etc.		$	$	$	$	$	$	$	$	$
TOTAL PRIZES AND AWARDS		$	$	$	$	$	$	$	$	$
Other Student Aid (detail)		$	$	$	$	$	$	$	$	$
TOTAL OTHER STUDENT AID		$	$	$	$	$	$	$	$	$
TOTAL STUDENT AID		$	$	$	$	$	$	$	$	$
AUXILIARY ENTERPRISES:										
University Center Brunswick grant	To buy pool cues	$	$	$	$	$	$	$	$	$
TOTAL UNIVERSITY CENTER		$	$	$	$	$	$	$	$	$
TOTAL AUXILIARY ENTERPRISES		$	$	$	$	$	$	$	$	$
TOTAL RESTRICTED CURRENT FUNDS		$	$	$	$	$	$	$	$	$

FORM 18

SCHEDULE OF CHANGES IN FUND BALANCES--LOAN FUNDS

PURPOSE: To report the beginning and ending balances and all changes during the fiscal year in detail for all Loan Funds.

COMMENTS: The totals from this report should be used in preparing the Statement of Changes in Fund Balances--Loan Funds.

FORM 18

SCHEDULE OF CHANGES IN FUND BALANCES-LOAN FUNDS
for the Year Ended June 30, ____

		Additions						Fund Assets			
	Balances July 1, ____	Gifts	Endowment Income	Interest And Investment Income	Other (Footnote)	Deductions (Footnote)	Balances June 30, ____	Matching Funds for U.S. Loans	Notes Receivables	Invested	Cash
U. S. Government Participation Loan Funds:											
National defense student loan funds	$	$	$	$	$	$	$	$	$	$	$
Cuban loan fund											
TOTAL U.S. GOVERNMENT PARTICIPATION LOAN FUNDS	$	$	$	$	$	$	$	$	$	$	$
Instructional Loan Funds:											
Matching fund for U.S. Government loan funds	$	$	$	$	$	$	$	$	$	$	$
Jones loan fund											
Etc.											
TOTAL INSTITUTIONAL LOAN FUNDS	$	$	$	$	$	$	$	$	$	$	$
TOTAL LOAN FUNDS	$	$	$	$	$	$	$	$	$	$	$

FORM 19

SCHEDULE OF CHANGES IN FUND BALANCES--ENDOWMENT AND SIMILAR FUNDS

PURPOSE: To report the beginning and ending balances and all changes during the fiscal year in detail for all Endowment and Similar Funds.

COMMENTS: The totals from this report should be used in preparing the Statement of Changes in Fund Balances--Endowment and Similar Funds.

FORM 19

SCHEDULE OF CHANGES IN FUND BALANCES
ENDOWMENT AND SIMILAR FUNDS
for the Year Ended June 30, ____

	Balances July 1, ____	Additions				Deductions (Footnote)	Balances June 30, ____	Income for Year
		Gifts	Income Added to Principal	Net Gains on Sales of Securities	Other (Footnote)			
ENDOWMENT FUNDS:								
Income Unrestricted:								
(Various funds listed alphabetically)	$	$	$	$	$	$	$	$
Income Restricted:								
Educational and General:								
Instruction and Departmental Research:								
(Various funds listed alphabetically)	$	$	$	$	$	$	$	$
TOTAL INSTRUCTION AND DEPARTMENTAL RESEARCH	$	$	$	$	$	$	$	$
Libraries	$	$	$	$	$	$	$	$
Etc.								
TOTAL EDUCATIONAL AND GENERAL	$	$	$	$	$	$	$	$
Student Aid:								
Scholarships								
(Various funds listed alphabetically)	$	$	$	$	$	$	$	$
Fellowships (detail)								
Prizes and Awards (detail)								
TOTAL STUDENT AID	$	$	$	$	$	$	$	$
Loan Funds:								
(Various funds listed alphabetically)	$	$	$	$	$	$	$	$
TOTAL LOAN FUNDS	$	$	$	$	$	$	$	$
TOTAL INCOME RESTRICTED FUNDS	$	$	$	$	$	$	$	$
TOTAL ENDOWMENT FUNDS	$	$	$	$	$	$	$	$

FORM 19 (Cont.)

	Balances July 1, ____	Additions: Gifts	Additions: Income Added to Principal	Additions: Net Gains on Sales of Securities	Additions: Other (Footnote)	Deductions (Footnote)	Balances June 30, ____	Income for Year
QUASI ENDOWMENT FUNDS:								
Income Unrestricted:								
(Various funds listed alphabetically)	$	$	$	$	$	$	$	$
Income Restricted:								
Student Aid:								
Fellowships:								
(Various funds listed alphabetically)	$	$	$	$	$	$	$	$
TOTAL QUASI ENDOWMENT FUNDS	$	$	$	$	$	$	$	$
NET ADJUSTED GAINS AND LOSSES	$	$	$	$	$	$	$	$
TOTAL ENDOWMENT AND SIMILAR FUNDS	$	$	$	$	$	$	$	$

FORM 20

SCHEDULE OF CHANGES IN FUND BALANCES--LIFE INCOME FUNDS

PURPOSE: To report the beginning and ending balances and all changes during the fiscal year in detail for all Life Income Funds.

COMMENTS: The totals from this report should be used in preparing the Statement of Changes in Fund Balances--Life Income Funds.

FORM 20

SCHEDULE OF CHANGES IN FUND BALANCES
LIFE INCOME FUNDS
for the Year Ended June 30, ____

Funds	Eventual Purpose	Balances July 1, ____	Additions: Gifts	Additions: Investment Income	Additions: Net Gains on Sales of Securities	Deductions: Payments to Beneficiaries	Deductions: Transfers to Endowments	Deductions: Net Losses on Sales of Securities	Balances June 30, ____
LIFE INCOME FUNDS:									
Lane, R. M.	Unrestricted	$	$	$			$	$	$
Smith, R. S.	Research								
TOTAL LIFE INCOME FUNDS		$	$	$	$	$	$	$	$

FORM 21

SCHEDULE OF CHANGES IN FUND BALANCES--UNEXPENDED PLANT FUNDS

PURPOSE: To report the beginning and ending balances and all changes during the fiscal year in detail for all Unexpended Plant Funds.

COMMENTS: The totals from this report should be used in preparing the Statement of Changes in Fund Balances--Unexpended Plant Funds.

FORM 21

SCHEDULE OF CHANGES IN FUND BALANCES-UNEXPENDED PLANT FUNDS
for the Year Ended June 30, ____

			Additions			Deductions					
	Total Project Budget	Balances June 30, __	State Appropriations	Tennessee State School Bond Authority	Other (Footnote)	Land	Buildings	Equipment	Other Improvements	Other (Footnote)	Balances June 30,__
LAND PURCHASES:											
Block between Central, Deloach, Patterson and Norriswood	$	$	$	$	$	$	$	$	$	$	$
Parking Lot B											
TOTAL LAND PURCHASES	$	$	$	$	$	$	$	$	$	$	$
NEW CONSTRUCTION:											
Business Administration Building	$	$	$	$	$	$	$	$	$	$	$
Mathematics Building											
TOTAL NEW CONSTRUCTION	$	$	$	$	$	$	$	$	$	$	$
MAJOR RENOVATIONS:											
Jones Hall	$	$	$	$	$	$	$	$	$	$	$
Smith Hall											
TOTAL MAJOR RENOVATIONS	$	$	$	$	$	$	$	$	$	$	$
SPECIAL PROJECTS:											
Paving parking lot B	$	$	$	$	$	$	$	$	$	$	
TOTAL SPECIAL PROJECTS	$	$	$	$	$	$	$	$	$	$	$
TOTAL UNEXPENDED PLANT FUNDS	$	$	$	$	$	$	$	$	$	$	$

FORM 22

SCHEDULE OF CHANGES IN FUND BALANCES-- FUNDS FOR RETIREMENT OF INDEBTEDNESS AND FOR RENEWALS AND REPLACEMENTS

PURPOSE: To report the beginning and ending balances and all changes during the fiscal year in detail for all Funds for Retirement of Indebtedness and for Renewals and Replacements.

COMMENTS: The totals from this report should be used in preparing the Statement of Changes in Fund Balances--Funds for Retirement of Indebtedness and for Renewals and Replacements.

FORM 22

SCHEDULE OF CHANGES IN FUND BALANCES
FUNDS FOR THE RETIREMENT OF INDEBTEDNESS AND FOR RENEWALS AND REPLACEMENTS
for the Year Ended June 30, ____

		Additions				Deductions				
	Balances July 1, ____	Auxiliary Enterprises Operations	Investment Income	Transfers (Footnote)	Other (Footnote)	Retirement of Bonds	Retirement of Notes	Interest	Other (Footnote)	Balances June 30, ____
FUNDS FOR RETIREMENT OF INDEBTEDNESS										
RESIDENCE HALLS:										
Gaere Hall	$	$	$	$	$	$	$	$	$	$
Jones Hall										
Etc.										
TOTAL RESIDENCE HALLS	$	$	$	$	$	$	$	$	$	$
PROPERTY:										
Ogden Property	$	$	$	$	$	$	$	$	$	$
Miscellaneous rental property										
TOTAL PROPERTY	$	$	$	$	$	$	$	$	$	$
OTHER:										
Stadium addition	$	$	$	$	$	$	$	$	$	$
Research Center Library										
TOTAL OTHER	$	$	$	$	$	$	$	$	$	$
BOND AUTHORITY PROJECTS: (List various funds)	$	$	$	$	$	$	$	$	$	$
TOTAL BOND AUTHORITY PROJECTS	$	$	$	$	$	$	$	$	$	$

FORM 22 (cont.)

	Balances July 1, ___	Additions: Auxiliary Enterprises Operations	Additions: Investment Income	Additions: Transfers (Footnote)	Additions: Other (Footnote)	Deductions: Retirement of Bonds	Deductions: Retirement of Notes	Deductions: Interest	Deductions: Other (Footnote)	Balances June 30, ___
TOTAL FUNDS FOR THE RETIREMENT OF INDEBTEDNESS	$	$	$	$	$	$	$	$	$	$
FUNDS FOR RENEWALS AND REPLACEMENTS										
Rawls and Robinson Halls	$	$	$	$	$				$	$
Taliwa Court										
TOTAL FUNDS FOR RENEWALS AND REPLACEMENTS	$	$	$	$	$				$	$
TOTAL FUNDS FOR RETIREMENT OF INDEBTEDNESS AND FOR RENEWALS AND REPLACEMENTS	$	$	$	$	$	$	$	$	$	$

FORM 23

SCHEDULE OF CHANGES IN INVESTMENT IN PLANT

PURPOSE: To report the beginning and ending book balances and all changes during the fiscal year of all plant properties and facilities except those real properties that are the investment of Endowment and other funds.

COMMENTS: All plant assets are reported in this schedule even though there is an outstanding indebtedness against them.

Land, buildings, equipment and other improvements should be recorded at cost if purchased or at appraised value if donated. Library books should be valued at a method acceptable within good accounting practices and should be consistent from year to year. The method used should be explained in a footnote.

FORM 23

SCHEDULE OF CHANGES IN INVESTMENT IN PLANT
for the Year Ended June 30, ____

	Book Value July 1, ____	Additions: Current Funds	Additions: Unexpended Plant Funds	Deductions (Footnote)	Book Value June 30, ____
LAND:					
Campus	$	$	$	$	$
Farm					
TOTAL LAND	$	$	$	$	$
BUILDINGS:					
Administration (Various buildings or groups of buildings to be listed)	$	$	$	$	$
TOTAL BUILDINGS	$	$	$	$	$
IMPROVEMENTS OTHER THAN BUILDINGS:					
Parking Lots	$	$	$	$	$
Roads and walks					
Electrical distribution system					
Etc.					
TOTAL IMPROVEMENTS OTHER THAN BUILDINGS	$	$	$	$	$
EQUIPMENT:					
(Total equipment by College or other unit to be listed)					
TOTAL EQUIPMENT	$	$	$	$	$
TOTAL INVESTMENT IN PLANT	$	$	$	$	$

FORM 24

SCHEDULE OF CHANGES IN FUND BALANCES--AGENCY FUNDS

PURPOSE: To report the beginning and ending balances and all additions and deductions during the fiscal year for all Agency Funds.

COMMENTS: The totals from this report should be used in preparing the Statement of Changes in Fund Balances--Agency Funds.

FORM 24

SCHEDULE OF CHANGES IN FUND BALANCES
AGENCY FUNDS
for the Year Ended June 30, ____

	Balances July 1, ____	Additions	Deductions	Balances June 30, ____
(Various funds included in this group must be listed individually)	$	$	$	$
TOTAL AGENCY FUNDS	$	$	$	$

FORM 25

SCHEDULE OF REVENUES AND EXPENDITURES--INTERCOLLEGIATE ATHLETICS

PURPOSE: To present the net income (loss) for the fiscal year from Intercollegiate Athletics.

COMMENTS: Intercollegiate Athletics should be reported as an auxiliary enterprise only by Memphis State University.

Intercollegiate Athletics are operated as a separate corporation at The University of Tennessee. Their report for this activity should be appended to their annual financial report and should follow the sample report.

FORM 25

SCHEDULE OF REVENUES AND EXPENDITURES
INTERCOLLEGIATE ATHLETICS
for the Year Ended June 30, _____

REVENUES	Amount
Sports:	
Football	$
Basketball	
Other:	
Indirect income	
Programs sales	
Parking permits	
Other	
TOTAL REVENUES	$
EXPENDITURES:	
Football	
Administrative salaries	$
Instructional salaries	
Other salaries	
Supplies & expense	
Equipment & other capital outlay	
Basketball	
Administrative salaries	
Instructional salaries	
Other salaries	
Supplies & expense	
Equipment & other capital outlay	
Baseball	
Administrative salaries	
Instructional salaries	
Other salaries	
Supplies & expense	
Equipment & other capital outlay	
Other	
Administrative salaries	
Instructional salaries	
Other salaries	
Supplies & expense	
Equipment & other capital outlay	
TOTAL EXPENDITURES	$
EXCESS OF REVENUES OVER EXPENDITURES	$

FORM 26

SCHEDULE OF REVENUES AND EXPENDITURES--RESIDENCE HALLS

PURPOSE: To present the net income or loss for the fiscal year for each dormitory or dormitory complex.

COMMENTS: Revenues should include the value of allowances for room furnished counselors and others as a part of their compensation. The expense for these items would be included in Residence Halls expenditures.

Routine repairs to buildings, all equipment repairs, and minor equipment replacements should be entered as operating expenditures. Utilities, custodial, and repair costs can be recorded as direct charges to each Residence Hall or allocated to them based on total square footage. Property insurance should be allocated to each building based on insured values.

FORM 26

SCHEDULE OF REVENUES AND EXPENDITURES
RESIDENCE HALLS
for the Year Ended June 30, ____

	Woodlawn Apartments	Gibbs Hall	Vet's Village	Total
REVENUES:				
Rental Revenues:				
Students	$	$	$	$
Forfeited deposits				
Special groups				
Other				
TOTAL RENTAL REVENUE	$	$	$	$
Other Revenues:				
Vending machine commissions	$	$	$	$
TOTAL OTHER REVENUES	$	$	$	$
TOTAL REVENUES	$	$	$	$
EXPENDITURES:				
Operating Expenses				
(Object classification as	$	$	$	$
(consistent with object				
(codes set forth in Form 15				
TOTAL OPERATING EXPENDITURES	$	$	$	$
Debt Service and Renewals and Replacements				
Charges against unit for Debt Service	$	$	$	$
Charges against unit for Renewals and Replacements				
TOTAL DEBT SERVICE AND RENEWALS AND REPLACEMENTS	$	$	$	$
TOTAL EXPENDITURES	$	$	$	$
EXCESS OF REVENUES (DEFICIT) OVER EXPENDITURES	$	$	$	$
Less Transfers				
To Unrestricted Current Funds	$	$	$	$
To Unexpended Plant Funds				
To Funds for Retirement of Indebtedness and Renewals and Replacements				
EXCESS OF REVENUES (DEFICIT) OVER EXPENDITURES AND TRANSFERS	$	$	$	$
Note: Number of Rental Spaces				
Rental Rate				
Per Period (Month, Quarter, Semester)				

FORM 27

SCHEDULE OF REVENUES AND EXPENDITURES--FACULTY HOUSING

PURPOSE: To present the net income or loss for the fiscal year for apartment buildings. Rental houses adjacent to the campus or houses maintained for faculty only will be reported here.

COMMENTS: The comments made for Residence Halls are applicable to Faculty Housing also.

FORM 27

SCHEDULE OF REVENUES AND EXPENDITURES
FACULTY HOUSING
for the Year Ended June 30, ____

	Apartments	Houses	Total
REVENUES:			
Faculty appartments	$	$	$
Rental property			
TOTAL REVENUES	$	$	$
EXPENDITURES:			
Operating Expenses			
(Object classification as	$	$	$
(consistent with object			
(codes set forth in Form 15			
TOTAL OPERATING EXPENDITURES	$	$	$
Debt Service and Renewals and Replacements			
Charges against unit for Debt Service	$	$	$
Charges against unit for Renewals and Replacements			
TOTAL DEBT SERVICE AND RENEWALS AND REPLACEMENTS	$	$	$
TOTAL EXPENDITURES	$	$	$
EXCESS OF REVENUES (DEFICIT) OVER EXPENDITURES	$	$	$
Less Transfers			
To Unrestricted Current Funds	$	$	$
To Unexpended Plant Funds			
To Funds for Retirement of Indebtedness and Renewals and Replacements			
EXCESS OF REVENUES (DEFICIT) OVER EXPENDITURES AND TRANSFERS	$	$	$
Note: Number of Rental Spaces			
Rental Rate			
Per Period (Month, Quarter, Semester)			

FORM 28

SCHEDULE OF REVENUES AND EXPENDITURES--FOOD SERVICES

PURPOSE: To present the net income or loss for the fiscal year on Food Service operations.

FORM 28

SCHEDULE OF REVENUES AND EXPENDITURES
FOOD SERVICES
for the Year Ended June 30, ____

	University Owned Vending Machines	Contracted Food Services	Contracted Vending Machines	Main Cafeteria	Total
REVENUES:					
Sales	$	$	$	$	$
Commissions					
TOTAL REVENUES	$	$	$	$	$
EXPENDITURES:					
Operating Expenses					
(Object classification as	$	$	$	$	$
(consistent with object					
(codes set forth in Form 15					
TOTAL OPERATING EXPENDITURES	$	$	$	$	$
Debt Service and Renewals and Replacements					
Charges against unit for Debt Service	$	$	$	$	$
Charges against unit for Renewals and Replacements					
TOTAL DEBT SERVICE AND RENEWALS AND REPLACEMENTS	$	$	$	$	$
TOTAL EXPENDITURES	$	$	$	$	$
EXCESS OF REVENUES (DEFICIT) OVER EXPENDITURES	$	$	$	$	$
Less Transfers					
To Unrestricted Current Funds	$	$	$	$	$
To Unexpended Plant Funds					
To Funds for Retirement of Indebtedness and Renewals and Replacements					
EXCESS OF REVENUES (DEFICIT) OVER EXPENDITURES AND TRANSFERS	$	$	$	$	$

FORM 29

SCHEDULE OF REVENUES AND EXPENDITURES--COLLEGE UNION

PURPOSE: To present the net income (loss) from the operation of various auxiliary enterprises in the University Center. There may be a bowling alley, a pool hall, rooms for rent or something similar. Student Stores and Food Services usually are accounted for as separate enterprises.

FORM 29

SCHEDULE OF REVENUES AND EXPENDITURES
COLLEGE UNION
for the Year Ended June 30, ____

	Bowling Alley	Pool Room	Other	Total
REVENUES:				
Student fees			$	$
Room rentals				
Recreational income	$	$		
Other				
TOTAL REVENUES	$	$	$	$
EXPENDITURES:				
Operating Expenses				
(Object classification as	$	$	$	$
(consistent with object				
(codes set forth in Form 15				
TOTAL OPERATING EXPENDITURES	$	$	$	$
Debt Service and Renewals and Replacements				
Charges against unit for Debt Service	$	$	$	$
Charges against unit for Renewals and Replacements				
TOTAL DEBT SERVICE AND RENEWALS AND REPLACEMENTS	$	$	$	$
TOTAL EXPENDITURES	$	$	$	$
EXCESS OF REVENUES (DEFICIT) OVER EXPENDITURES	$	$	$	$
Less Transfers				
To Unrestricted Current Funds	$	$	$	$
To Unexpended Plant Funds				
To Funds for Retirement of Indebtedness and Renewals and Replacements				
EXCESS OF REVENUES (DEFICIT) OVER EXPENDITURES AND TRANSFERS	$	$	$	$

FORM 30

SCHEDULE OF REVENUES AND EXPENDITURES--STUDENT STORE

PURPOSE: To present the net income or loss for the fiscal year on Student Store operations.

COMMENTS: None.

FORM 30

SCHEDULE OF REVENUES AND EXPENDITURES
STUDENT STORE
for the Year Ended June 30, ____

	Amount
REVENUES:	
New books	$
Used books	
Supplies	
Commissions	
Etc.	
TOTAL REVENUES	$
EXPENDITURES:	
Operating Expenses	
(Object classification as	$
(consistent with object	
(codes set forth in Form 15	
TOTAL OPERATING EXPENDITURES	$
Debt Service and Renewals and Replacements	
Charges against unit for Debt Service	$
Charges against unit for Renewals and Replacements	
TOTAL DEBT SERVICE AND RENEWALS AND REPLACEMENTS	$
TOTAL EXPENDITURES	$
EXCESS OF REVENUES (DEFICIT) OVER EXPENDITURES	$
Less transfers	
To Unrestricted Current Funds	$
To Unexpended Plant Funds	
To Funds for Retirement of Indebtedness and Renewals and Replacements	
EXCESS OF REVENUES (DEFICIT) OVER EXPENDITURES AND TRANSFERS	$

FORM 31

SCHEDULE OF INVESTMENTS BY FUND GROUPS

PURPOSE: To disclose the details of investments held at the end of the fiscal year for each fund group.

COMMENTS: Market or appraised values can usually be obtained from the daily newspaper, a stock broker, or the investment division of larger banks. If actively traded, use the closing price for calculating value. If not actively traded, use the "bid" price as opposed to the "ask" price. Certificates of Deposit should be shown at face value plus accrued interest.

FORM 31

SCHEDULE OF INVESTMENTS BY FUND GROUPS
for the Year Ended June 30, _____

	Stocks Par Value	Number of Shares	Face Value	Book Value	Market or Appraised Value
UNRESTRICTED CURRENT FUNDS:					
Bonds:					
Federal Government:					
Federal National Mortgage Association Participating Certificates			$	$	$
Total Federal Government			$	$	$
Total Bonds			$	$	$
Certificates of Deposit:					
State Union Bank			$	$	$
First National Bank					
Total Certificates of Deposit			$	$	$
TOTAL UNRESTRICTED CURRENT FUNDS			$	$	$
ENDOWMENT AND SIMILAR FUNDS:					
Bonds:					
Federal Government			$	$	$
County Government					
City Government					
Corporations					
Other:					
(All bonds owned to be listed in detail under these groupings)					
Total Bonds			$	$	$
Common Stock:					
Industrials			$	$	$
Public Utilities					
Railroads					
Banks, Finance, and Insurance					
Mutual Funds					
(All stock owned to be listed in detail under these groupings)					
Total Common Stocks			$	$	$
TOTAL ENDOWMENT AND SIMILAR FUNDS			$	$	$

FORM 32

SCHEDULE OF LONG-TERM NOTES AND BONDS PAYABLE

PURPOSE: To show the indebtedness of the university, and the status of each note and bond outstanding.

COMMENTS: Tennessee State Bond Authority indebtedness must be shown. If the State Bond Authority has sold bonds and established a retirement schedule for a project, it should be listed as a bonds payable. If bonds have not been sold or if the project is still under construction, the amount obtained to date for each project should be reported under "Temporary Financing." The total of these amounts owed to the Tennessee State Bond Authority should be shown on the Balance Sheet under Invested in Plant Funds.

FORM 32

SCHEDULE OF LONG-TERM NOTES AND BONDS PAYABLE
for the Year Ended June 30, _____

Issue and Description	Issue Dated	Due Serially To	Balances July 1, _____	Bonds and Notes Issued	Interest Rate %	Interest Paid Maturing	Interest Paid Amount	Bonds and Notes Retired	Balances June 30, _____
BONDS PAYABLE:									
(Various issues to be listed by building financed)			$	$			$	$	$
TOTAL BONDS PAYABLE			$	$			$	$	$
NOTES PAYABLE:									
(Various issues to be listed by building financed)			$	$			$	$	$
TOTAL NOTES PAYABLE			$	$			$	$	$
STATE SCHOOL BOND AUTHORITY:									
Bonds Issued:									
(Various issues to be listed by building financed)			$	$			$	$	$
TOTAL BONDS ISSUED			$	$			$	$	$
Temporary Financing:									
(Various amounts to be listed by building financed)			$	$			$	$	$
TOTAL TEMPORARY FINANCING			$	$			$	$	$
TOTAL STATE SCHOOL BOND AUTHORITY			$	$			$	$	$
TOTAL BONDS AND NOTES PAYABLE			$	$			$	$	$

APPENDIX B

APPENDIX B

BUDGET RECAPITULATION SCHEDULES

These reports include all current unrestricted funds which can be budgeted with some reasonable degree of accuracy at the time the annual operating budgets are submitted.

FORM NUMBER	SCHEDULES
1	Summary of Current Funds Available and Applied
2	Schedule of Unrestricted Fund Balances at the Beginning of the Period
3	Current Funds Revenues
4	Current Funds Expenditures
5	Schedule of Unrestricted Fund Balances at the End of the Period
6	Other Student Charges

SCHEDULE 1

SUMMARY OF CURRENT FUNDS AVAILABLE AND APPLIED

PURPOSE: To report the actual and estimated fund balances and totals for revenues and expenditures controls for selected periods for all Current Unrestricted Funds, and to report the actual and estimated totals for revenues and expenditures controls for the same periods for Restricted Current Funds.

FREQUENCY:

1. With or as a part of the Annual Budget each year submit with the following headings:

Past Year Actual	Current Year Original Budget	Current Year Estimates As of This Date	Next Year Estimates

2. On October 31 each year submit with the following headings:

Past Year Original Budget	Past Year Actual	Current Year Original Budget	Current Year Estimates As of this Date

COMMENTS: Sections II and III of Schedule 1 should include both unrestricted and restricted current funds revenues and expenditures.

SCHEDULE 1

SUMMARY OF CURRENT FUNDS AVAILABLE AND APPLIED

I. UNRESTRICTED CURRENT FUND BALANCES AT BEGINNING OF PERIOD:				
Allocation for Encumbrances				
Allocation for Working Capital				
Allocation for Impoundment				
Special Allocations				
Auxiliary Enterprise Balances				
Unallocated Balance				
TOTAL	$	$	$	$
II. REVENUES:				
A. Educational and General:				
Student Fees				
Other Student Charges				
Gov't. Appropriations - Federal				
Gov't. Appropriations - State				
Gov't. Appropriations - Local				
Endowment Income				
Gifts and Grants				
Sponsored Research				
Other Separately Budgeted Research				
Other Sponsored Programs				
Recovery of Indirect Costs				
Sales and Services of Educational Departments				
Organized Educational Activities				
Other Sources				
Total Educational and General	$	$	$	$
B. Student Aid				
C. Auxiliary Enterprises				
TOTAL REVENUES	$	$	$	$

SCHEDULE 1 (Cont.)

III. EXPENDITURES				
A. Educational and General:				
Instruction and Departmental Research				
Organized Educational Activities				
Sponsored Research				
Other Separately Budgeted Research				
Other Sponsored Programs				
Extension and Public Service				
Libraries				
Student Services				
Operation and Maintenance of Physical Plant				
General Administration				
Staff Benefits				
General Institutional Expenses				
Total Educational & General	$	$	$	$
B. Student Aid				
C. Auxiliary Enterprises				
TOTAL EXPENDITURES	$	$	$	$
IV. TRANSFERS TO OTHER FUNDS				
Transfers to Loan Funds (University's share of NDEA Loan Fund)				
Transfers to Unexpended Plant Funds				
Other: (Detail)				
TOTAL TRANSFERS	$	$	$	$
V. UNRESTRICTED CURRENT FUND BALANCES				
AT END OF PERIOD:				
Allocation for Encumbrances				
Allocation for Working Capital				
Allocation for Impoundment				
Special Allocations				
Auxiliary Enterprises Balances				
Unallocated Balance				
TOTAL	$	$	$	$

SCHEDULE 2

SCHEDULE OF UNRESTRICTED FUND BALANCES AT BEGINNING OF PERIOD

PURPOSE: To list in detail the beginning balances reported in the Summary of Current Funds Available and Applied.

FREQUENCY:

1. With or as a part of the Annual Budget each year submit with the following headings:

Past Year Actual	Current Year Original Budget	Current Year Estimates As of this Date	Next Year Estimates

2. On October 31 each year submit with the following headings:

Past Year Original Budget	Past Year Actual	Current Year Original Budget	Current Year Estimates As of this Date

COMMENTS: None.

SCHEDULE 2

SCHEDULE OF UNRESTRICTED FUND BALANCES AT BEGINNING OF PERIOD

Allocation for Encumbrances:				
Equipment Purchase Orders	$	$	$	$
Other:				
(Detail)				
Total Allocation for Encumbrances	$	$	$	$
Allocation for Working Capital:				
Petty Cash	$	$	$	$
Accounts Receivable				
Inventories				
Total Allocation for Working Capital	$	$	$	$
Allocation for Impoundment:				
Impoundment for Following Year	$	$	$	$
Special Allocations:				
(Detail)	$	$	$	$
Total Special Allocations	$	$	$	$
Auxiliary Enterprises Balances:				
Bookstore	$	$	$	$
Dining Halls				
Residence Halls				
Other:				
(Detail)				
Total Auxiliary Enterprises Balance	$	$	$	$
Unallocated Balance	$	$	$	$
TOTAL	$	$	$	$

SCHEDULE 3

CURRENT FUNDS REVENUES

PURPOSE: To report current fund revenues in detail necessary for analysis and comparison.

FREQUENCY:

1. With or as a part of the Annual Budget each year submit with the following headings:

Past Year Actual	Current Year Original Budget	Current Year Estimates As of This Date	Next Year Estimates

2. On October 31 each year submit with the following headings:

Past Year Original Budget	Past Year Actual	Current Year Original Budget	Current Year Estimates As of This Date

COMMENTS: This format should be followed. Sections 2 and 3 should be expanded to give the detail as it is accumulated at each institution.

Actual figures used should agree with those in the published annual financial report.

This schedule should include both unrestricted and restricted current funds revenues. All restricted funds must be identified and shown separately from unrestricted funds. For example, see Section D entitled "Gifts and Grants."

SCHEDULE 3

CURRENT FUNDS REVENUES

1. EDUCATIONAL AND GENERAL				
A. Student Fees:				
Maintenance Fees				
Out-of-State Tuition				
Total Student Fees				
B. Other Student Charges				
Student Activity Fees				
Lab and Music				
Graduation				
Application				
Pre-College Counseling				
Examinations				
Transcripts				
I.D. Fee				
Health Fee				
Late Registration				
Traffic Fines				
Drop and Add Fines				
Library Fines				
Returned Check Fines				
Other				
Total Other Student Charges				
C. Appropriations: (Detail by Appropriation)				
Federal				
State				
Local				
Total Appropriations				
D. Endowment Income				
E. Gifts and Grants				
Unrestricted				
Restricted				
Total Gifts and Grants				
F. Sponsored Research				
G. Other Separately Budgeted Research				
H. Other Sponsored Programs				
I. Recovery of Indirect Costs - Total				
J. Sales and Services of Educational Departments (Detail as Appropriate)				
K. Organized Educational Activities (Detail as Appropriate)				
L. Other Sources				
Interest Income on Invested Current Funds				
Rent on Institutional Property				
Extension Enrollment Fees				
Miscellaneous				
Total Other Sources				
TOTAL EDUCATIONAL AND GENERAL				
2. STUDENT AID (Detail as Appropriate)				
3. AUXILIARY ENTERPRISES (Detail as Appropriate)				
TOTAL REVENUES	$	$	$	$

SCHEDULE 4

CURRENT FUNDS EXPENDITURES

PURPOSE: To report current fund expenditures in sufficient detail to permit analysis by program and object.

FREQUENCY:

1. With or as a part of the Annual Budget each year submit with the following headings:

Past Year Actual	Current Year Original Budget	Current Year Estimates As of This Date	Next Year Estimates

2. On October 31 each year submit with the following headings:

Past Year Original Budget	Past Year Actual	Current Year Original Budget	Current Year Estimates As of This Date

COMMENTS:

The detail for this schedule should follow the organization and budgeting units of each institution. If organizational changes are made between reporting years, adjustments should be made in distributing totals to insure comparability.

Actual figures used should agree with those in the published annual financial reports.

Expenditures are to be reported by four major object groupings:

Salaries - Professional
Salaries - Other
Supplies and Expense
Equipment and Other Capital Outlay

A separate report should be prepared for capital outlay expenditures other than equipment.

All restricted funds expenditures should be shown and identified separately from unrestricted funds expenditures. Under Instruction and Departmental Research restricted funds should be shown in total by divisions or colleges. Under all other functional categories only the total amount of restricted funds should be shown.

SCHEDULE 4

CURRENT FUNDS EXPENDITURES

A. EDUCATIONAL AND GENERAL				
Instruction and Departmental Research				
College of Liberal Arts				
Restricted Funds	$	$	$	$
Administration				
Salaries - Professional				
Salaries - Other				
Supplies and Expense				
Equipment and Other Capital Outlay				
Total Administration				
Art Department				
Salaries - Professional				
Salaries - Other				
Supplies and Expense				
Equipment and Other Capital Outlay				
Total Art Department				
Etc.				
Total College of Liberal Arts				
College of Business Administration				
Administration				
Organized Educational Activities	$	$	$	$
Sponsored Research				
Other Separately Budgeted Research				
Other Sponsored Programs				
Extension and Public Service				
Libraries				
Student Services				
Operation and Maintenance of Physical Plant				
General Administration				
Staff Benefits				
General Institutional Expenses				
Total Educational and General				
B. STUDENT AID	$	$	$	$
C. AUXILIARY ENTERPRISES	$	$	$	$
TOTAL EXPENDITURES	$	$	$	$

SCHEDULE 5

SCHEDULE OF UNRESTRICTED FUND BALANCES AT END OF PERIOD

PURPOSE: To list in detail the ending balances reported in the Summary of Current Funds Available and Applied.

FREQUENCY:

1. With or as a part of the Annual Budget each year submit with the following headings:

Past Year Actual	Current Year Original Budget	Current Year Estimates As of This Date	Next Year Estimates

2. On October 31, each year submit with the following headings:

Past Year Original Budget	Past Year Actual	Current Year Original Budget	Current Year Estimates As of This Date

COMMENTS: None.

SCHEDULE 5

SCHEDULE OF UNRESTRICTED FUND BALANCES AT END OF PERIOD

Allocation for Encumbrances:				
Equipment Purchase Orders	$	$	$	$
Other				
(Detail)				
Total Allocation for Encumbrances	$	$	$	$
Allocation for Working Capital:				
Petty Cash	$	$	$	$
Accounts Receivable				
Inventories				
Total Allocation for Working Capital	$	$	$	$
Allocation for Impoundment:				
Impoundment for Following Year	$	$	$	$
Special Allocations:				
(Detail)	$	$	$	$
Total Special Allocations	$	$	$	$
Auxiliary Enterprises Balances:				
Bookstore	$	$	$	$
Dining Halls				
Residence Halls				
Other:				
(Detail)				
Total Auxiliary Enterprises Balances	$	$	$	$
Unallocated Balance	$	$	$	$
TOTAL	$	$	$	$

SCHEDULE 6

OTHER STUDENT CHARGES

PURPOSE: To report those student charges which are not a part of Current Fund Revenues.

FREQUENCY:

1. With or as a part of the Annual Budget each year submit with the following headings:

Past Year Actual	Current Year Original Budget	Current Year Estimates As of this Date	Next Year Estimates

2. On October 31 each year submit with the following headings:

Past Year Original Budget	Past Year Actual	Current Year Original Budget	Current Year Estimates As of this Date

COMMENTS: None.

SCHEDULE 6

OTHER STUDENT CHARGES

Other Student Charges (Those charges not recorded as Current Fund Revenues)				
Debt Service Fees				
Other Student Activity Fees				
Other (Detail as appropriate)				
TOTAL OTHER STUDENT CHARGES	$	$	$	$